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PORFIRIA	N LABOR	POLICY	AND	ECONOMIC	DEPEN	DEN	CY,	1876-1	910

A Thesis
Presented to
The Faculty of the Department of History

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by
David W. Walker
August, 1976

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## ABSTRACT

A capable and forceful individual, Porfirio Díaz carried the liberal effort to convert Mexico into an industrial nation forward to its sought after goal of greater national productivity. To accomplish that goal his regime actively promoted foreign investment, vigilantly safeguarded the capitalist ventures, and conscientiously sought to destroy barriers to the expansion of industrial capitalism in Mexico. One of the most important consequences of industrialization was the emergence of an industrial work force as an important part of Mexican society. Containment of industrial labor was an imperative of the mode of economic development undertaken by the regime. In his attempt to contain labor Diaz encouraged collaboration and employed persuasion more often and more effectively than brute force and relied heavily upon labor moderates to police the labor movement. The success of Porfirian labor policy depended greatly upon a healthy eccnomy. An economic crisis after 1898, brought on by national economic dependency, resulted in the repudiation of moderates and the resurgence of labor radicalism. Although the bloody violence at Río Blanco was not generally characteristic of Porfirian labor policy, it did signal its failure.

## TABLE OF CONTENTS

INTRO	DUCTION	•	•	•	•	•	•	•	•	•	•	•	1
CHAPT	ER												
I.	PORFIRIAN DEVELOPMENTALISM												
	Introduction		•		•	•							5
	Development Theory	•	•			•	•	•			•	•	6
	Investment	•	•		•	•	•	•		•	•	•	9
	Railroads	•	•	•	•	•	•	•	•	•	•	•	14
	Tariffs	•	•	•	•	•	•	•		•		•	17
	Alcabala	•	•	•			•	•					18
	Communal Institutions						•			•	•	•	19
	Labor		•		•						•	•	21
	External Factors			•						•		•	22
	Urban Expansion		•		•	•				•		•	23
	Industrial Expansion											•	26
	Industrial Labor		•	•	•		•	•	•	•	•	•	37
II.	PORFIRIAN LABOR POLICY												
	Introduction		•		•			•		•		•	41
	Pre-Porfirian Labor Policy .				•	•						•	42
	Porfirian Labor Theory			•	•			•				•	46
	Moderate Labor Leadership .	•			•								49
	Moderate Labor Organizations			•									50
	Mutualism							•					56
	Cooperativism					•		•				•	58
	Rewards of Collaboration						•					•	59
	Patriotism and Labor Policy				•							•	61
	Political Mobilization												63
	Education				•		•				•	•	65
	The "Working Class" Press .	•		•							•		67

	The Use of Violence	70
	Labor Unrest and Arbitration	73
	The Continuing Struggle Between Radical and Moderate Elements Within the Labor Movement 7	79
	Rising Real Wages and Moderate Labor Reform 8	30
	,	32
III.	ECONOMIC DEPENDENCY AND THE FAILURE OF PORFIRIAN LABOR POLICY	
	Introduction	33
	Decline of Real Wages	34
	Rising Cost of Living	86
	Theory of Economic Dependency	92
	Export Dependency	93
	Industrial Dependency	00
	Mechanization in Mexico	03
	Monopoly	06
	Case of the Textile Industry	38
	Moderate Perceptions of the Problem	09
	Eclipse	11
	Radical Resurrgence	12
	The Radical Gran Circulo de Obreros Libres 11	14
	The Moderate Gran Circulo de Obreros Libres 11	15
		17
	Reaction by Foreign Capitalists	18
	Puebla Strike of 1906	18
	The National Lockout	20
	Arbitration	23
	Factors Behind the Settlement	24
	Río Blanco	
EDIT OC	מתוח	20
	GUE	
NOTES		34

APPENDIX .		•	 	 	 	•	 •	•	155
ESSAY ON SO THE LABOR M					 			•	158
SELECTED BI	BLIOGRAPH	Ÿ	 	 	 	•	 •	•	166

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# LIST OF TABLES

1.	Dividends of Some North American Owned	
	Companies for Selected Years	12
2.	Decline of Silver and Devaluation of the <u>Peso</u>	23
3.	Rural and Urban Population Growth, 1895-1910	24
4.	Urban Expansion, 1877-1910	25
5.	Machinery and Industrial Raw Material Imports for Selected Years in U.S. Dollars	28
6.	Twenty-Five Largest Industrial Enterprises in 1910	29
7.	Mechanization of the Textile Industry	34
8.	Four Largest Textile Manufacturers	35
9•	Displacement of the Artisan in the Textile Industry	36
10.	The Work Force by Sectors in 1900	37
11.	Distribution of Non-Agricultural Labor, 1895-1950	39
12.	Cost of Living for the Working Class in Selected Cities	86
13.	Daily Nominal Wages for Several Occupations in Selected Cities	87
14.	Mexico City Price Index, 1877, 1886-1910	90
15.	Silver Production and Value, 1877-1910	94
16.	Federal Revenue From Indirect Taxes, 1893-1910	96
17.	Mechanization of the Textile Industry	106

# LIST OF ILLUSTRATIONS

1.	Railroad Expansion, 1876-1902	16
2.	Revenue Tax Income on the Sale of Manufactured Products, 1876-1902	27
3.	"I am the same one, general, with my own candidacy"	66
4.	Minimum Daily Industrial Wages, 1877-1898	81
5.	The Decline of Real Wages, 1898-1910	85
6.	Corn and Bean Prices, 1885-1910	89
7•	Allocation of Agricultural Production for Selected Years	98
8.	The Peso and the Dollar	99
9.	Aggregate Values for Mining and Agricultural Production	102
10.	Textile Imports, 1892-1910	104
11.	Per Capita Imports, 1892-1910	105

## INTRODUCTION

In recent years scholars have shown increasing interest in the period of Mexican history from 1876 to 1910 known as the <u>Porfiriato</u>. While there are many explanations for this orientation, one reason is the spreading conviction that the key to deciphering contemporary Mexico lies not in the revolutionary Mexico of 1911 to 1923, but in the Mexico of Porfirio Dfaz. Some studies of contemporary Mexico have shown how the Revolution of 1910 ultimately failed to transform Mexico. It was natural, in the development of our methodology, that researchers would extend their investigations into prerevolutionary Mexico. Aided by theoretical tools such as dependency theory, the student of Mexican history can more fully appreciate the changes wrought by the Porfirian regime.

One aspect of this study is an examination of Porfirio Díaz's attempt to modernize Mexico. In many respects, Díaz represented the flowering of nineteenth century economic liberalism in Mexico. A capable and forceful individual, he carried the liberal effort to convert Mexico into an industrial capitalist nation forward to its sought after goal of greater national productivity. His development program relied heavily upon private foreign investment and "modern" corporate organization and technology to bring progress and prosperity

to Mexico "naturally," in accordance with the tenets of the economic orthodoxies of his time. His regime did not assume a passive role in that effort, but actively promoted the development of a national economic infrastructure. The Diaz administration vigorously encouraged investment, vigilantly safeguarded those investments, and dutifully campaigned to destroy internal barriers to the expansion of the industrial capitalist economy which was supposed to be created by investment.

This investigation accepts the fact that development brought with it dramatic and widespread socio-economic change. In this context, the study focuses on a primary consequence of that change, the growth of an urban industrial work force as a peculiar and economically crucial part of Mexican society, and details the causes of the eventual clash between the working class and the Porfirian regime. That collision of interests was brought about primarily by an economic crisis which grew out of national economic dependency.

This is not a study of the Mexican labor movement. It is an attempt to explain how the Diaz regime dealt with that new social force and to suggest why the regime ultimately failed to control it. Research suggests that the Diaz regime encouraged collaboration and employed persuasion more often and more effectively than it used brute force in its attempt to contain labor. The mode of economic development, undertaken

within a framework of international industrial capitalism, mandated the containment of labor. Not only was the Diaz regime confronted by the imperative to sacrifice the needs of industrial workers to the demands of capitalist management, but also it: was compelled, if for no other reason than political survival, to intervene in such a manner as to encourage moderate elements within labor to cooperate. At the same time, the Diaz regime exercised vigilance in regard to radical elements in labor which categorically rejected industrial capitalism. Porfirian labor politics, reduced to simplest abstraction, meant lucrative rewards to moderates for their cooperation and unceasing oppression and persecution to radicals. Labor moderates, as tools of the national government, would themselves police and contain the labor movement. Only when moderates failed in this task would the regime itself be obliged to openly intervene.

A crucial part of that labor policy depended upon the state of the economy. Workers, in response to economic prosperity, would remain relatively indifferent to radical overtures so long as they perceived or even anticipated improvements in their economic position. Unfortunately, the economic development plan effected by the Díaz regime was defective. The last decade of Porfirian rule brought, not the anticipated improvements, but a national economic crisis and an absolute decline in the standard of living for industrial

workers. The net result was a resurgence of labor radicalism, which culminated in the bloody violence at Rio Blanco in 1907. Rio Blanco represented the definitive failure of Porfirian labor policy. It was not, however, as later labor historiography might suggest, generally indicative of labor relations in the first two decades of Porfirian Mexico.

While the Diaz regime would be swept away by the flood of social forces its development program unleashed, the structure of labor relations it had established before 1900 lingered to be resurrected by post-revolutionary twentieth century administrations. As enduring as that structure of labor relations has been, misconceptions of that labor policy have been even more durable. This study is an attempt to clarify significant aspects of the ancien regime's relationship with the urban working class and with the economic program which brought about its eventual downfall.

#### CHAPTER T

## PORFIRIAN DEVELOPMENTALISM

Porfirio Díaz, aging President of the Republic of Mexico, addressed his Congress on the eve of the twentieth century and reviewed the achievements of his long administration: "The progress achieved by the country in all lines of endeavor...seems undeniable...." He noted that "industry and a spirit of enterprise" were beginning to characterize Mexican society. Such a state of affairs, he observed, was due to "the constant efforts of the Executive." If immodest, the claim seemed altogether true.1

Mexico had changed, if not progressed, more than even Diaz realized. His own effort and direction, and that of the economic planners who gave the regime its flavor, had revolutionized Mexico. Factories and urban residences occupied what had been empty space, but the greatest changes were more subtle. The cities were larger, but more importantly the population that comprised them had been altered with the addition of large numbers of industrial workers and skilled middle groups. Urbanization brought with it problems of complexity and interdependence.

Capitalist expansion in the late nineteenth century transformed Mexico. If Mexico remained primarily agricultural

at the end of the <u>Porfiriato</u>, capitalist, not communal, modes of production were dominant. If Mexico remained an underdeveloped nation, it was no longer a pre-industrial nation. The very effort at development which characterized the Porfirian era fractured and destroyed the communal life of traditional Mexico and fostered a dependence on the manufactured products of a capitalist economy. Factories, not artisans or native industry, supplied the growing needs of Mexico's people. An industrial work force, a new addition to Mexican society, was born in the effort to emulate the developed, industrial capitalist nations of Western Europe and North America.

Industrial development during the Porfiriato resulted from conscious efforts within Mexico, as well as outside factors and forces over which Mexico's developers had no control and little influence. Clearly, the Porfirian regime evidenced a genuine desire to "modernize" Mexico. If the nation developed imperfectly and if the philosophy and theory which guided her developers was a sophistry, it was not because Mexico deviated much from orthodox developmental theory. Progress, according to this line of reason, accompanied investment of private capital in the productive sectors of the nation. The ideology of free trade excepted, the Díaz regime remained a slave to nineteenth century liberal economic thought. Such allegiance was implicit in its exaggerated concern for stability and its ready acquiescence to

the investor, which characterized the development of Porfirian Mexico. If the energetic foreigner could not be induced to immigrate in large numbers, the economic planners assumed an "industrious" people would evolve with the destruction of the traditional, communal way of life and the final triumph of capitalism in Mexico.

Since the 1830's national governments, both conservative and liberal, had concerned themselves with the promotion of industry. These earlier attempts failed for lack of capital or foundered in the chaotic political conditions of early national Mexico. The mid-nineteenth century victory of La Reforma made possible the utilization of resources previously controlled by the Church or by communal institutions. The national consolidation effected gave succeeding governments increasing power to initiate programs of national development. La Reforma laid the foundation for the expansion of industrial capitalism over which the Diaz regime presided. 2

Porfirio Díaz, who always considered his regime to exemplify the spirit of <u>La Reforma</u>, emphasized: "It has been the constant aim of this government to develop the productive power of the nation." Díaz believed capitalism was the most appropriate medium for development: "...the growing interest of private persons in these enterprises tends to the development of public wealth." Another measure of the regime's capitalist orientation was agricultural policy. Lauro Viadas,

General Director of Agriculture, asserted: "Agriculture is, before and above all else, a business, and in every business the amount and safety of the profits are what determines the character of the enterprise...."

While the Diaz regime did give much attention to capitalist expansion in agriculture and extractive exports, industrialization was not forgotten. Diaz asserted in 1903: idea of one of the Latin Republics seriously entering the manufacturing field is unusual, and may be considered ridiculous by some, but it is really a matter of grave consideration."6 A Mexican delegate to the International Commercial Congress at Philadelphia in 1899 reiterated that theme as he recounted the industrial development which had occurred in Mexico under the aegis of the Diaz regime. He echoed its almost unshakeable confidence in the developmental program: "...there is not the slightest danger of economic troubles; instead a steady march toward the betterment of the country will take place ... .. He stated once again the essence of the Porfirian developmental formula: "Mexico throws its doors wide open to the men of enterprise, and tenders to them its natural richness under the protection of an unalterable peace...." That peace included a compliant urban working class.

Foreign capital endorsed such a progressive posture.

A North American officer of the Mexican Telegraph Company,

which was controlled by capital from the United States, noted in 1881 that Mexican government officials were already "fully imbued with the spirit of enterprise."8 Two years later, a writer for the New York Times expressed North American attitudes about Mexico's development in more vulgar and more "Right across the Rio Grande are 40,000,000 accurate words: of energetic Americans ready and eager to assist the 10,000,000 of Mexicans in developing the rich resources of their land-for a consideration." Foreign observers, including representatives of the United States government, applauded the manner in which Mexico's "statesmen and jurists" adapted the "incompatability and insufficiency of existing laws" to the needs of a "renovated and progressive national existence."10 "ripening" capitalist nations in Western Europe and North America and the Porfirian regime enjoyed a consensus in developing the "productive forces" of Mexico.

Industrialization required large amounts of capital. When possible, Porfirian developers channeled domestic investment into industry, such as the loan of two million pesos by the Agricultural Loan Bank to assist construction of a large steel plant in Monterrey in 1902. The national government also made direct investments to stimulate development. Besides enormous outlays for public works projects such as improved port facilities, the Diaz administration spent large sums to purchase and consolidate a national rail system. By 1910,

government investment was 14 percent of the combined value of the largest 170 corporations in Mexico. Ferrocarriles Nacionales de México, the national railroad corporation, accounted for most of the government's investment. In comparison, private Mexican investment, valued at 150 million pesos, counted for 9 percent of Mexico's corporate establishment. The regime sought foreign capital when domestic funds were not available, as was most often the case. José I. Limantour, who was Diaz's most trusted economic advisor, promised: "Foreign capital will give jobs to the masses and create Mexican capital." 11

The regime recognized fiscal and political stability as an essential precondition for investment. The Diaz administration demonstrated a fiscal responsibility and a dedication to their interest that foreign capitalists, in particular, found gratifying. Pablo Macedo, an important Porfirian economist, described the "tranquility" so rigorously enforced by Diaz as "a supreme and inappreciable good" and praised it as the single most important factor in Mexico's development. Some foreigners confidently believed that the railroads constructed during the <u>Porfiriato</u> made revolution impossible because troops could be quickly dispatched to all parts of the Republic. The best guarantee, however, was Diaz's harsh suppression of any opposition to his development program. That attitude was expressed in his response to rising popular resentment of foreign capitalists in 1906. In the face of

increasing unrest, Diaz attempted to reassure foreign investors: "A few executions will put an end to any persecutions [of foreigners] by Mexicans...." In addition, the longevity of the regime persuaded capitalists that their investments would be secure. 12

While the Diaz regime expected development to be the natural result of investment, it did not suppose capital would invest without incentives. The developers publicized investment opportunities, made enticing concessions, and assumed that lucrative profits would encourage still further interest. The Ministry of Fomento disseminated large quantities of information about the possibilities of Mexican industry. "Commercial Museums," financed by Fomento, exhibited Mexican agricultural and industrial products in large foreign cities such as Yokohama, Philadelphia, Liverpool, and Milan. Agencies such as the "Mexican Information Bureau" in London promoted investment in Mexico. Concessions made publicized opportunities almost irresistible to investors. A concession granted in 1892 to T.E. Kinnel, a North American capitalist, was representative of those offered by the national government to encourage investment in manufacturing. In exchange for a \$2,000,000 investment in jute mills and construction of facilities within three years, the industrial enterprise imported free all needed materials and machinery and received a ten year exemption from federal taxation. Diaz cited concessions as crucial to "the development...manufacturing...."13

Profits offered tangible incentives for investment in manufacturing. Returns on capital invested averaged 10 to 15 percent in the period 1890 to 1894. Dividends of 20 to 25 percent were more common in the period 1895 to 1900. A United States consular official reported in 1900: "In no country in the world are cotton mills paying such large dividends..." A spokesman for a large North American investment company claimed in 1901: "...we do not believe there is any more attractive field today for the profitable investment of capital than Mexican industry." Table 1 shows why Mexican investments pleased North Americans.

TABLE 1

DIVIDENDS OF SOME NORTH AMERICAN OWNED CORPORATIONS
FOR SELECTED YEARS

Corporation	Percent Returned	Years
Mexican Telegraph	355.0	1882-1910
Guanajuato Power and Light	37.5	1909-1910
Intercontinental Rubber	29.9	1907-1910
Mexican Telephone & Telegraph	45.0	1906-1910

SOURCE: David M. Pletcher, "The Fall of Silver in Mexico and Its Effects on American Investments," <u>Journal of Economic History</u>, XVII (March, 1958), 49.

While foreign private investment was very important in financing industrial development, Porfirian developers never convinced investors that manufacturing was as lucrative an investment as mining or the production of agricultural raw materials for export. How could manufacturing compete with the aura that surrounded mining companies which paid annual dividends of more than 150 percent annually? 17 Nevertheless, by 1910 foreign investors accounted for 85 percent of all industrial investment. If North American investment in manufacturing seemed insignificant by the end of the Porfiriato (\$11 million in 1911) it was because investments in mining and railroads were so great. The United States Consul-General in Mexico estimated that in 1912 the value of all "enumerated properties" in Mexico was approximately \$2.5 billion. North Americans claimed one of those billions. Other foreign investors accounted for more than \$600 million. The balance belonged to the citizens of Mexico. 18 How prophetic was a trade report prepared by a representative of the United States government in 1879!: "With the adoption and extension of North American ideas, the extension of North American commerce must follow as a logical sequence."19 Another report in 1906 suggested: "What has been done in Mexico can be repeated in all the undeveloped, even partly developed, countries -- for no country is fully developed -- if American capitalists would enter into a campaign therein such as they have done in Mexico."20

Foreign capital financed the construction of railroads which the regime believed necessary for the development of Mexico. Limantour emphasized that railroads were constructed "for the creation of new industries in the country." Cenerous subsidies and liberal concessions encouraged rapid construction of a railroad system. Railroad companies took possession of the right of way along proposed routes by "expropriation in the name of public utility." Construction materials and railroad equipment entered Mexico without payment of customs duties. Free national lands and the resources located thereon offered additional incentives. Finally, the regime paid the railroad companies a cash subsidy per kilometer of track completed according to the terms of the concession. 22

How effectively did railroads stimulate industrialization? Contemporaries such as Pablo Macedo credited railroads with "the economic resurrection of the country," and alleged, "With the strident whistle of the locomotive...the nation has awakened from its long slumber." Undeniably, railroads free Mexico's commerce from some of the geographical barriers which had always restrained the wide distribution of finished products. William Purcell, an Irishman who sold English textiles in Northern Mexico, complained the railroad killed his imported textile trade in the 1880's: "The city of Mexico is absorbing all the trade in dry goods. Everything is brought from there now." Mexico, before the

Porfiriato, depended upon an inefficient system of carts and mule trains to transport goods. Expensive and seasonal, transportation often cost more than the merchandise being moved. As the importer discovered, the railroad made possible the wide distribution of manufactured products and allowed the procurement of raw materials from distant sources. Purcell noted in 1889 the sale of cotton grown in Northern Mexico directly to factories as far away as Puebla. The railroads made manufacturing a potentially profitable endeavor and it is unlikely that any national industries of scale could have developed with the transportation which even an imperfect railroad system offered. Figure 1 shows the expansion of the rail system as of 1902. Approximately five thousand more kilometers were added by 1910.<sup>24</sup>

Since capitalists built railroads, not for development but to secure a profit, the rail system evolved as a patchwork affair and suffered obvious deficiencies. Some areas of the nation remained isolated. Running primarily North to South, the rail system provided better connections to the United States than with points within Mexico. Rail companies preferred to service the more profitable mining and export sectors and such shipments increased faster than did domestic freight shipments. The enormous outflow of Mexican wealth to finance the construction of the railroads made less capital available for investment in manufacturing.<sup>25</sup>

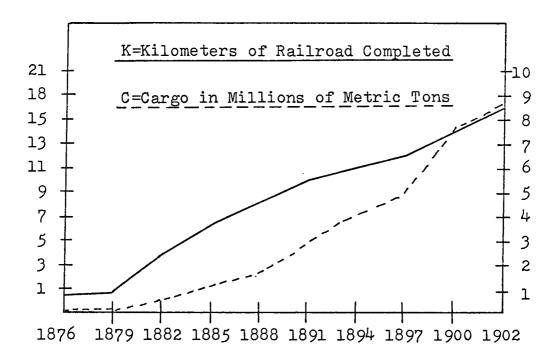


Fig. 1. Railroad Expansion, 1876-1902

SOURCE: Pablo Macedo, <u>La evolución mercantil; comunicaciones y obras publicas; la hacienda publica: tres monografías que dan idea de una parte de la evolución económica de México (México, D.F., 1905), 229.</u>

High tariffs worked to ensure that most manufactures shipped by rail would be of Mexican origin. Protection from foreign competition sheltered domestic industry and stimulated its expansion. Economists such as Joaquín D. Casasús, as well as Macedo and Limantour, believed that Mexican industries developed because high tariffs kept out competition. Duties on imports averaged over 100 percent of value, but were no applied indiscriminately. Machinery needed to equip an industrializing Mexico paid no import duties, but manufactured items such as textiles paid dearly. As new industries developed their manufacturing capabilities, they secured increasing protection. With the growth of a domestic iron and steel industry, imported iron and steel, which had before entered duty free, paid progressively higher duties after 1892, 1904, and 1908. The national explosives industry began its operations in earnest with the application of a \$30.00 per metric ton duty on imported explosives. Importers complained, with some accuracy, that the high tariffs gave the industry virtually "monopolistic privileges."26

Once protected, manufacturers pressured for maintenance of high tariff levels. A proposed reciprocal commercial treaty with the United States drew heavy criticism and charges that it might damage Mexican industry. The furor, which lasted from 1885 to 1887, demonstrated the aroused sentiments of those interested in Mexico's (and their own)

industrial well-being. As early as 1883, the New York <u>Times</u> publicized the opportunity which protection offered: "...the establishment in Mexico of branch works by American manufacturers...means the Mexican tariff can be turned to a profitable account...And the protection that it affords is of such a sweeping sort that anybody who manufactures can sell his goods at pretty much his own price."<sup>27</sup>

High import duties protected national industries from outsiders, but did not prevent discriminatory treatment from regional or local interests. Internal taxes called the alcabala worked on the same principle as did tariffs -- they protected local producers against outside competition. alcabala, said a prominent Porfirian economist, originated with "...the desire to exclude from local consumption or to oppress with taxes, the...products from other parts of the Republic." Some states such as Puebla taxed any item introduced from outside. Business and industrial interests had long agitated for the removal of "la tradicional opresión" and economic planners such as Limantour agreed that the alcabala slowed industrial expansion. Article 121 of the Constitution of 1857 outlawed the alcabala, yet attempts at suppression in 1868, 1869, 1871, 1884, 1886, and 1891 not excepted, the "precepto constitutional" remained "only written."28

State and local governments continued to escape the spirit, if not the letter of the law. Few did so as gracefully as the governor of Mexico state who, in accordance with an amendment to the Federal Constitution which ordered the alcabala to be abolished in 1886, decreed the following: 29

Article 1. The collection of the <u>alcabala</u> is to cease throughout the state, and for it is to be substituted an impost called the duty of consumption. Article 2. The duty of consumption shall take effect in the same cases and upon the same products as the alcabala.

Why was the <u>alcabala</u> so durable? It provided an economic base to Mexican regionalism. Artisan and local industry who relied upon its protection made common cause with regional strongmen who depended upon the income generated from the tax. Not until the Federal government devised other means to finance state governments and until artisan and local industry had already been weakened did the <u>alcabala</u> fall. Then in 1896, "the energy of the Federal Executive overcame all" and that sort of barrier to national industrial expansion was no more.<sup>30</sup>

Mexico's indigenous population presented another obstacle to industrial development. Tightly knit, self-sufficient, their communities provided no market for manufactured goods. A consular report to the United States dispatched from Mexico in 1884 noted: "...the greatest proportion of the domestic utensils, laborer's tools and

implements are of Indian manufacture, differing very little or not at all from those used before the Conquest."<sup>31</sup> Nor was the communal population available as a labor force for capitalist exploitation. The United States Consul in Colima reported in 1885 the "problem" as modernizers saw it:

The aborigines (Indians) living in this district exhibit all the peculiarities of their race...They live in communities or villages, a very few in towns. Their communities hold firmly together, and though it is against the law (of 1857), most of them have their lands and funds in common. They cannot be prevailed upon to divide their fields, and as they own considerable land...it will be seen that this system is highly disadvantageous for a healthful development of agricultural resources.32

The attacks upon communal institutions which characterized the expansion of agricultural capitalism during the Porfiriato forced the indigenous population to "...either join the ranks of the progressive people...or die off, to be replaced by a more energetic and ambitious class." 33 Communal groups which no longer existed could not longer produce; instead, plantations and factories dispensed life's necessities on a cash basis. There, individuals worked to earn the money to buy that which they once produced themselves. As the need for money as a medium of exchange grew, Mexico's domestic currency supply sharply expanded in the 1890's. 34

The "simple habits and contented poverty" of Mexico's masses had to be overcome if manufacturers were to prosper.

That is, a demand for manufactured products had to be induced.

There were some indications of changing consumer preferences in the later years of the <u>Porfiriato</u>. The production of manufactured foods such as flour and refined sugar increased in response to a growing demand for such items.<sup>35</sup> Clothing preferences began to change. Observers reported in 1900: "Even in the remote districts the laborer discards the costume of his ancestor, and prides himself upon his ability to wear shoes, hats, and clothing."<sup>36</sup> As late as 1885 no shoe factories operated in Mexico because there was "little demand for European or American style shoes." Two decades later a dozen shoe manufacturing plants in the Republic could not supply the demand.<sup>37</sup>

The Porfirian regime was concerned that industrial development not be retarded by workers' claims against capital. Since cheapness of labor assured investors a good return, and since investors brought "progress," the regime devoted considerable attention to the problem of containing labor. 38

Trade reports prepared by agents of the United States government took special note of the importance of "manage-able" labor: "One of the most important factors in favor of United States investors...is...labor...docile and easily managed." The New York <u>Times</u> offered a similar judgment in 1903: "Cheapness of labor is a factor in the success

which has met a large majority of investments of American and European capital in Mexico."<sup>39</sup>

The Porfirian regime consciously promoted industrialization with policies intended to encourage investment. to protect developing industries, and to remove barriers to to industrial expansion. Porfirian developmentalists, including Diaz himself, believed the needs of labor necessarily took second place to the demands of capital because profits had to be guaranteed in order to attract the capitalists who would develop Mexico into a modern nation. 38 In that respect, the containment of labor was a prime tive of the Porfirian development scheme. While the conscious efforts of the Diaz regime were probably most important, outside forces over which the developers had no control and little influence also encouraged industrial development. Table 2 shows the decline in value of silver on the world market and subsequent devaluation of the peso. That phenomena had the effect of raising the price of imported goods in Mexico to an almost prohibitive leve. The fall of silver gave a tremendous boost to domestic manufacturers since they paid the cost of wages and raw materials available in Mexico with cheap silver. Tariff policies of the United States also shaped Mexico's development. An extensive metallurgical industry resulted not so much from the efforts of Porfirian planners as from tariffs levied on Mexican mineral

ores brought into the United States after 1892. Similarly, a tariff on the introduction of live Mexican cattle into the United States stimulated interest in Mexican meat-packing plants. 40

TABLE 2

DECLINE OF SILVER AND DEVALUATION OF THE PESO

Silver	Peso
1873=100.00	1873=101.16
1877= 92.70	1877= 95.14
1902= 44.50	1902= 44.65

SOURCE: David M. Pletcher, "The Fall of Silver in Mexico, 1870-1910 and Its Effects on American Investments," <u>Journal of Economic History</u>, XVII (March, 1958), 38.

Porfirian planners did not transform all of Mexico into a modern, industrial nation. What success they did enjoy was manifested in urban expansion, in the establishment of national industries, and in the appearance of urban industrial workers as distinct and potentially powerful members of Mexican society.

Urban growth presented visible evidence of the changes occurring. The number of cities with a population of more than twenty-thousand increased from twenty-two to twenty-nine between 1895 and 1910. Large cities grew in population

twice as fast as rural areas, while smaller towns stagnated or even lost population. Table 3 shows rural and urban population growth for the period 1895 to 1910. Table 4 shows population increased for selected cities during the Porfiriato. 41

TABLE 3

RURAL AND URBAN POPULATION GROWTH, 1895-1910

	Popul	ation*	% of	Total	% Annual Growth
Category	1895	1910	1895	1910	1895-1910
Rural (Less Than 5,000)	10,085	12,216	79.8	80.0	1.2
<u>Urban</u> (5,000- 20,000)	1,392	1,366	11.0	9.0	-0.1
Urban (More Than 20,000	1,160	1,668	9.2	11.0	2.5
<u>Total</u>	12,637	15,160	100.0	100.0	1.2

SOURCE; Fernando Rosenzweig, "El desarrollo económico de México de 1877 a 1911," <u>Trimestre Económico</u>, XXXVII (July-September, 1965), 418.

<sup>\*</sup>Population in Thousands

TABLE 4
URBAN EXPANSION, 1877-1910

City	1877 Population*	1900 Population*	1910 Population*	1877-1910 %Growth
Mexico City	230	344	471	105
Guadalajara	65	101	120	84
Puebla	65	94	96	48
Monterrey	14	62	79	461
San Luis Potosí	27	61	68	214
Veracruz	10	29	49	490
Orizaba	3		38	1298

SOURCE: John Wibel and Jesse de la Cruz, "Mexico," Richard M. Morse, et al., (eds.), <u>The Urban Development of Latin America</u>, <u>1750-1920</u> (Stanford, 1971), 95.

# \*Population in thousands

Cities such as Monterrey and Orizaba urbanized rapidly under the stimulus of industrialization. These cities enjoyed superior locations and free access to needed resources.

Orizaba's textile mills, the largest and most modern in the nation, utilized the electric power generated from abundant water resources. Rich mineral deposits fed the smelters and blast furnaces of the large iron and steel complex which insured Monterrey's position as Mexico's leading manufacturing

city. Regional centers such as San Luis Potosí developed manufacturing facilities to service the mining and agricultural hinterlands which surrounded them. The large populations of older centers such as Guadalajara stimulated industrialization to supply urban needs. Mexico City retained and consolidated its hegemony. It grew for a variety of reasons, but primarily because it related to the nation as the various regional centers did to their separate hinterlands. 42

Industrial growth proceeded rapidly, especially in the 1890's. Most development occurred in light industries which produced consumer goods for import substitution. Heavy industry did not develop before the end of the period, although the large steel plant at Monterrey was indicative of a trend in that direction. The income derived from federal revenue taxes on the sale of manufactured products provided a measure of the increased production and consumption of manufactured goods. Figure 2 shows the revenue collected from those taxes for selected years. Annual value of manufacturing production jumped from \$75 million in 1877 to \$205 million by 1910. Although agricultural production exceeded manufacturing production by more than \$185 million in 1910, manufacturing had increased in value at twice the rate of agriculture during the Porfiriato.43 If the production of manufactured goods was synonymous with "progress," Mexico's progress under the tutelage of the Diaz regime was indeed measureable.

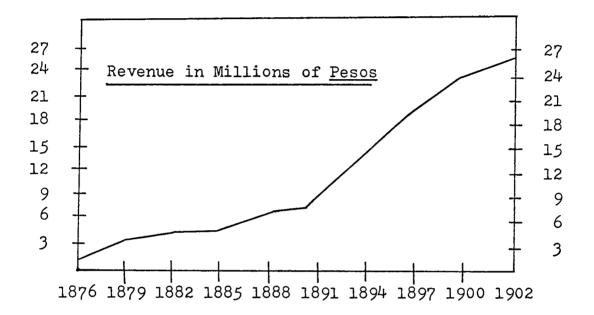


Fig. 2. Revenue Tax Income on the Sale of Manufactured Products, 1876-1902.\*

SOURCE: Pablo Macedo, <u>La evolución mercantil;</u> communicaciones y obras publicas; <u>la hacienda publica:</u> tres monografias que dan idea de una parte de <u>la evolución económica de México</u>, (México, D.F., 1905), 469.

\*Federal revenue taxes should not be confused with the <u>alcabala</u> which was assessed by the states.

The production of manufactured goods increased so rapidly in the 1890's that in some industries supply began to exceed demand. After 1900, the Diaz administration and manufacturers' associations jointly funded and dispatched trade missions in the hope of finding "an outlet for the surplus production of Mexico, particularly her cotton goods." In response, exports of manufactured goods increased 70 percent in the period 1900 to 1904. Even so, Mexico never exported significant amounts of manufactured products before the end of the Porfiriato. The changing nature of Mexican imports reflected the industrialization process which was Imports of consumer goods such as textiles dropped sharply, while the share of capital goods and raw materials bound for use in domestic industrial production increased greatly. Table 5 shows imports of machinery and industrial raw materials for selected years. 44

TABLE 5

MACHINERY AND INDUSTRIAL RAW MATERIALS IMPORTS
FOR SELECTED YEARS IN U.S. DOLLARS\*

Category	1880	1904
Machinery <sup>a</sup>	\$ 967,800	\$ 9,750,000
Industrial Raw Materials <sup>b</sup>	\$2,179,371	\$10,785,100

NOTE: Manufacturers Bureau, <u>Commercial Relations</u> (1903), (Washington, 1906), 22-24.

<sup>\*</sup>Imports from the United States, Great Britain, France a Machinery of all sorts, including mining and farming b coal, coke, copper, cotton, oils, wood, chemicals

Large and highly capitalized industrial corporations dominated the economic landscape. Although numerically a minority, they commanded their respective industries. 45

Table 6 shows the capitalization of the largest twenty-five industrial enterprises in 1910.

TABLE 6

CAPITAL OF THE TWENTY-FIVE LARGEST INDUSTRIAL ENTERPRISES IN 1910

Industry	Number	Capital*
iron and steel paper textile salt soap rubber canning flour dynamite tobacco	1 12 2 2 2 2 1 1 1 2	10.0 7.0 40.4 4.8 7.0 34.0 7.5 1.2 3.4 4.5
Total	25	119.8

SOURCE: Luis Chavez Orozco, <u>Historia económica y social</u> de <u>México</u> (México, D.F., 1938), 168.

Factories of all sorts produced a variety of consumer goods to satisfy the increasing dependence on manufactured products. A foodstuffs industry prospered as it fed a growing

<sup>\*</sup>Capital in Millions of Pesos

demand for processed foods. Mexicans acquired a taste for beer which increased as fast as new breweries could be built. Modern textile mills manufactured inexpensive cloth for the masses and clothing factories sewed ready-to-wear styles for those who could afford to buy. Soap factories flourished as their product became more available and more desired. Steel mills and brickyards produced materials to build factories and urban residences. A power and utilities industry developed to service the industrial and urban sectors. The factory became a familar and indispensable part of society.

The food and beverage industry represented a profitable area of investment. A cracker factory in Northern Mexico earned annual dividends of 29 percent on a \$100,000 investment. Operations in this industry were neither small nor insignificant. La Florida, a plant in Mexico City which manufactured pastas alimenticias, daily consumed thirteen thousand pounds of wheat. Empacadora Nacional operated a meat-packing plant in Uruapan occupying twenty acres and furnished "on the same line as the great packing establishments of Chicago." Cervecería Cuauhtemoc in Monterrey boasted not only "the tallest building in the Republic," (seven stories), but a production capacity of 100,000 barrels of beer annually. That establishment and other modern breweries in Orizaba, Toluca, Chihuahua, Sonora, Guadalajara, Sinaloa, and Yucatán boosted annual beer production from

seven million liters to twenty-five million liters before the end of the Porfirian era. Distilleries produced forty-five million liters of alcohol in 1907 to satiate another need of Porfirian Mexico. Cigarette factories, which as late as 1893 could produce no more than twenty-three million packs annually, used new machinery to produce 523 million packs in 1907. Citizens of the Republic who overindulged in processed foods and beverages could cure themselves with brand name patent medicines concocted in Mexico "by experts especially sent out by the titular companies" in the United States. 46

Companía de las Fábricas de Papel de San Rafael began the modern paper industry in Mexico with construction of its mill in 1892. San Rafael produced twenty tons of paper annually by 1910, an amount ten times the national production of 1878. Most of this product was newsprint, quickly devoured by the rapidly growing printing and graphic arts industry. Mexico City counted ten daily and four weekly newspapers in 1900. As many as twenty publishers operated presses in Mexico City that same year. Almost seven thousand persons worked as printers by 1910. 47

The building materials and construction industries developed in response to the demands for their goods and services. Modern factories such as those in Puebla and Mexico City produced good quality commercial glass. The North American owned Monterrey Brick Manufacturing Company,

advertised as "one of the largest brick plants south of St. Louis," worked its 150 workers in night and day shifts to produce 24 million bricks annually. Their product found a place in Mexico City and San Antonio, Texas sewers, in Monterrey streets, and in innumerable construction projects across the Republic. Brick masons could use the bricks with some of the seventy-five thousand metric tons of cement produced annually by new plants in Nuevo Leon, Hidalgo, and Mexico City. Giant construction companies, such as that owned by the English contractor, Weetman Pearson, employed thousands of workers in public works contracted with the Federal government. Pearson's contracts alone totalled £7,945,000 in the period 1889 to 1908 and represented only a portion of the work commissioned by the Diaz administration.

American Smelter and Refining Company monopolized the metallurgical industry with smelters such as the one at Aguascalientes which employed sixteen hundred workers. Mexico did not have a steel industry until <u>Fundidora de Fierro y</u>

<u>Acero de Monterrey</u> began operations in 1903 with a production of 21,183 tons of iron and 8,823 tons of steel. By 1911, annual production reached 71,537 tons of iron and 8,823 tons of steel. The giant complex employed seven thousand workers in all phases of production from extraction to finished steel. Its output of raw steel, pig iron, rails, and structural steel reduced the need for imports and at the

same time stimulated development of a metal products industry. Enterprises such as <u>Fundición de Fierro de San Luis Potosí</u> produced screws, nuts, and bolts to replace expensive and scarce imports. 49

A utilities and power industry developed to provide services for Mexico's urban population and to furnish power for the factories where many urban residents worked. The Mexican Light and Power Company constructed the world's longest electrical transmission line in 1903 to sell power from its Necaxa Falls hydroelectric plant for \$0.15 per kilowatt hour in Mexico City. This project, the largest of several providing power to Mexico City, had an output sufficient for one million electric lights. Similar, though smaller, companies operated in Monterrey, Veracruz, Puebla, Orizaba, Guanajuanto, and other large cities across the nation. Capitalists found utilities a lucrative undertaking and collected hefty dividends while supplying not only electricity, but gas, water, sewage, and transportation services for Mexico's urban population. Streetcar routes totalled 265 miles by 1900 in Mexico City and the Federal District. Monterrey boasted of an electric streetcar system with "first-class equipment in every respect" in 1907. Most other large cities had developed sophisticated urban transportation systems equally as "first-class" by 1910. As early as 1902, Mexico's urban residents owned nearly six thousand telephones. Those without access to that convenience could use the more than thirty-four thousand kilometers of telegraph line or mail a letter to be delivered by one of the almost nine thousand federal or contract postal employees in 1902. 50

The textile industry was the most developed of all the national industries. Cotton mills constituted the bulk of the textile industry and very large manufacturers were predominant. Table 7 shows the mechanization of the industry and the increasing size of factories. Table 8 lists the largest cotton textile manufacturers. The three largest factories, Río Blanco (1892), Santa Rosa (1898), and Metepec (1902), possessed almost one-third of all new spindles and looms installed in the industry since 1892. Ten factories owned by four companies accounted for 35 percent of production and employed 34 percent of all workers in the industry. 51

TABLE 7
MECHANIZATION OF THE TEXTILE INDUSTRY, 1877-1910

Year	Average Per Factory			Cotton Used
lear	Workers	Spindles	Looms	Tons
1877-1878	126	2725	95	134
1888-1889	165	2742	88	147
1899-1900	193	4086	125	201

TABLE 7 - Continued

Voon	Average Per Factory			Cotton Used
Year	Workers	Spindles	Looms	Tons
1910-1911	222	5022	169	238

SOURCE: Luis Nicolau d'Olwer, et al., El Porfiriato: La Vida Económica, Daniel Cosio Villegas (ed.), Historia Moderna de México (México, D.F., 1965) VII, 432.

TABLE 8
FOUR LARGEST COTTON TEXTILE MANUFACTURERS

Enterprise	Capital*	Spindles	Looms	Workers
CIA Industrial de a Orizaba CIA Industrial de b Atlixco CIA Industrial de CIA Indust	15.0	100,000	3,700	6,000
	6.0	36,852	1,570	1,948
	3.5	39,540	1,220	1,662
	3.35	33,000	1,400	1,800

SOURCE: Luis Chavez Orozco, <u>Historia Económica y Social</u> de <u>México</u> (México, D.F., 1938), 162.

d<sub>Santa Rosa</sub>

<sup>\*</sup>Capital in Millions of Pesos

<sup>&</sup>lt;sup>a</sup>Factories of <u>San Lorenzo</u>, <u>Cerritos</u>, <u>Río Blanco</u>, <u>Cocoloapan</u> b<u>Hilandería de Metepec</u>

CMiraflores, Barron, La Colmena, San Antonio Abad

Almost invariably, foreign capital controlled the large industrial enterprises which dominated the economy. In 1910, foreign shareholders owned a controlling interest in twenty-five of the thirty-two largest industrial corporations. The textile industry exemplified the pattern of foreign domination. French investors owned <u>CIA Industrial</u> <u>de Orizaba</u> (CIDOSA), <u>CIA Industrial de Atlixco</u>, and <u>CIA Industrial Veracruzana</u>. <u>CIA Industrial de San Antonio Abad</u> was managed by Spanish and French interests. 52

The competitive advantages and organizational arrangements of such enterprises destroyed Mexico's artisan industry. Factories displaced small shops and factory workers replaced artisans as the productive force in Mexican society. Table 9 shows the displacement of artisans by factory workers in the textile industry.

TABLE 9
DISPLACEMENT OF THE ARTISAN IN THE TEXTILE INDUSTRY

Year	Number of Artisans	Factory Workers
1895	41,000	19,000
1900	26,000	26,000
1910	8,000	32,000

SOURCE: Fernando Rosenzweig, "El Desarrollo Económico de Mexico de 1877 a 1911," <u>Trimestre Económico</u>, XXXVII (July-September, 1956), 444.

A similar process occurred in other industries which had previously consisted of small shops operated by individuals who considered themselves artisans. Incapable of competing with capitalist modes of production the artisan became a salaried worker. 53

Rural migrants furnished another source from which industry recruited a labor force. The indigenous population, forced from its land by the disamortization of communal properties, provided capital a large reservoir of easily exploited labor. 54

The "proletarianization" of the artisan and the recruitment of displaced agrarians during the <u>Porfiriato</u> created an urban-based industrial work force. In line with the tempo of industrialization in the 1890's, the number of industrial workers increased 15 percent in the years 1895 to 1900. The Census of 1900 reported that one of every eight Mexicans worked in the manufacturing sector. Table 10 shows the work force by sector in 1900. Many more workers in mining, construction, service, and agriculture shared the factory worker's relationship with capital—that is, the worker was a resource to be exploited by capital to earn a profit. 55

TABLE 10
THE WORKFORCE BY SECTORS IN 1900

Sector	Thousands of Persons	% of Total
Agriculture	3,182.6	66.0

TABLE 10 - Continued

Sector	Thousands of Persons	% of Total
Industry  Manufacturing  Mining  Construction	619.3 116.1 63.0	12.9 2.4 1.3
Service Transportation All Other Total	59.7 778.4 4,441.9	1.2 16.2 100.0

SOURCE: Fernando Rosenzweig, "El Desarrollo Económico de Mexico de 1877 a 1911," <u>Trimestre Económico</u>, XXXVII (July-September, 1956), 432.

The census was a crude approximation of modern methods, but at any rate showed industrial workers constituted an identifiable part of Mexican society. More importantly than their numerical strength, industrial workers played an indispensable role in society, for their labor provided goods and services upon which the Mexican nation was already dependent.

Industrial workers, as might be expected, constituted a significantly larger percentage of the labor force in 1895 than at the beginning of the <u>Porfiriato</u>. So profound was the change that, even in 1895, industrial workers counted for a larger portion of the labor force than in 1930. Table 11 shows the distribution of the non-agricultural work force in

1895, 1930, and 1950. Indeed, the absolute number of workers employed in manufacturing remained fairly constant between 1895 and 1940.<sup>56</sup>

TABLE 11
DISTRIBUTION OF NON-AGRICULTURAL LABOR, 1895-1950

Activity	Percentage of Total Labor Force		
Activity	1895	1930	1950
Manufacturing	11.51	9.93	12.62
Construction	2.33	1.95	2.71
Commerce	5.56	5.78	9.13
Service	10.34	9.64	12.35

SOURCE: Donald B. Keesing, "Structural Change Early in Development: Mexico's Changing Industrial and Occupational Structure From 1895 to 1950," <u>Journal of Economic History</u>, XXIX (December, 1969), 728.

Employing a model of economic development formulated by the advanced industrial nations of North America and Western Europe, the Porfirian regime sought to foment industrial capitalism in Mexico. Porfirian economic planning was based on the premise that substantial foreign private investment in the productive sectors of Mexico's economy would result in development. The government encouraged industrialization by actively promoting investment. It protected the industries created by those investments and removed barriers to their expansion. That development effort profoundly changed Mexico

and introduced new social forces such as an industrial labor force into the Mexican social environment. At the same time, economic growth in Mexico was an uneven process that left the country unstable and vulnerable to economic fluctuation. The greatest problems, urban labor dissent and economic dependency, would become apparent only after development had irrevocably reshaped the country.

## CHAPTER II

## PORFIRIAN LABOR POLICY

In sponsoring the groth of industrial capitalism, the Porfirian regime in many ways changed the structure of Mexican society. A significant consequence of that effort was the development of an urban-based industrial work force as a potentially powerful and economically crucial part of society. Because political control of labor was an imperative of the model of economic development the Díaz regime followed, labor management would be a matter of considerable importance.

The liberal politicos of La Reforma laid the foundations for the expansion of industrial capitalism directed by Diaz and his economic planners. Similarly, the labor policies that Diaz employed to contain labor were first utilized by his liberal predecessors. The level of industrialization achieved during their administrations generated, before 1876, the nucleus of an industrial work force. Conflicts of interest between the needs of workers and the demands of capital stimulated the development of a labor movement very early in Mexico's industrial development.

Centered primarily in Mexico City and a few other large urban centers where industrialization had begun during

La Reforma, the labor movement divided into moderate and radical factions several years before Diaz seized power. Contradictions and opposing tendencies within the Mexican labor movement were visible from the beginning. Radical organizers, influenced by anarchist and socialist ideology, challenged in principle the legitimacy of national government and the practices of industrial capitalism in particular. 1 Moderates opposed the radicals and argued that labor's well-being depended upon cooperation and identification with the best interests of a national government aligned with industrial capitalism. While radicals condemned capitalism as oppressive and exploitative, moderates, in the early stages of industrial expansion, praised the factory, a primary institution of industrial capitalism, as the harbinger of progress and prosperity. While radicals perceived of national government as a tyrannical instrument wielded at the behest of capitalist exploiters, moderates saw government as a neutral, mediating force between capital and labor or even as a sympathizer of labor interests.

Intervention by the national government profoundly shaped the struggle between radicals and moderates. As Porfirio Díaz would do later, Benito Juárez and Miguel Lerdo de Tejada encouraged and co-opted moderate labor, for the recruitment and support of moderate labor leadership was

essential if the threat represented by anarchist and socialist ideology and organization was to be countered.

The struggle between radicals and moderates began with the earliest efforts to organize workers in Mexico. Santiago Villanueva, a follower of the anarchist ideologue, Plotino C. Rhodakanaty, organized the Sociedad Artística Industrial as an anarchist action group early in 1866. Soon afterwards, moderates led by Epifanio Romero and Juan Cano challenged the radical leadership. Bolstered by private donations, a subsidy from the National Congress, and later the gift from President Juarez of the old church of San Pedro y San Pablo as a meeting place, the moderates soon gained temporary control of the Sociedad. In the years which followed, radical victories in organizing strikes or lucrative concessions gained by moderates from the government provided the more successful faction with interim control of the Sociedad.

Anarchist confidence encouraged their participation in the founding of the <u>Gran Círculo de Obreros de México</u> in 1870. Anarchists hoped the <u>Gran Círculo</u> formed of delegates from worker <u>sociedades</u> in the Mexico City area would provide a medium in which to proselytize. Moderates had similar ideas. Before the new organization was a month old, Cano had written and received a reply from Juárez concerning official recognition. While anarchist elements enjoyed early

predominance, the death of Villanueva in 1872 was part of a series of reversals which put the moderates led by the persistent Cano firmly in control. Moderates rewrote the organizing statutes to stress the use of "legal means" to improve the condition of workers. The same revisions allowed acceptance of a \$200.00 monthly subsidy from the new President of the Republic, Lerdo de Tejada, who was made honorary president of the organization. El Socialista, official organ of the Gran Circulo, became a political instrument supporting Lerdo's presidential aspirations. The newspaper prospered under the arrangement and soon boasted its own press.<sup>3</sup>

Far from the militant organization envisioned by its anarchist founders, the <u>Gran Círculo</u> acquiesced to "company unions" and other questionable practices. In February of 1875, radicals promoting a general strike collided with the <u>Gran Círculo</u>, which supported the government in breaking strikes at the textile factories of <u>La Fama Montañesa</u> and <u>San Fernando</u>. In consultation with the Governor of the Federal District, the <u>Gran Círculo</u> expelled striking <u>sociedades</u> with an assurance of <u>status quo ante bellum</u> for those workers who remained aligned with the Gran Circulo.

Firmly in control until Lerdo's own position faltered late in 1875, moderate hegemony in the <u>Gran Circulo</u> began to disintegrate. Unable to contain demands for national worker unity in the face of a growing political crisis, the Gran

<u>Círculo</u> called for a workers' congress of <u>sociedades</u> from across the nation. Lerdo moderates hoped to bolster their political position, but failed to reckon with anarchist determination to remain unaligned or with the strength of other moderates who recognized a new <u>patrón</u>.

The first Congreso Obrero convened on March 5, 1876 in San Pedro y San Pablo. Lerdo supporters found themselves outnumbered and outmaneuvered. Carlos Larrea headed a lerdista officer slate that was defeated and replaced by a victorious coalition of anti-Lerdo moderates and radicals. moderate, Carlos Olaguíbel y Arísta, embarrassed lerdistas with passage of his resolution denouncing the induction of workers to fight against the forces with which Diaz was challenging Lerdo. Nevertheless, moderates as a group dominated the Congreso, as evidenced by resolutions which pledged to respect private property and to harmonize relations between capital and labor. Lerdo supporters salvaged what they could with a manifesto calling for working class support of Lerdo and with publication of the Gran Circulo sponsored La Bandera del Pueblo, which endorsed Lerdo. The opposition responded with condemnation of the manifesto and the founding of El Hijo de Trabajo, a newspaper which combined anti-Lerdo moderate interest in strengthening the opposition with the desire of anarchist ideologues for a medium in which to express their view.6

Lerdo's administration was unequal to the military challenge. Porfirio Díaz led his army triumphantly into Mexico City on September 28, 1876. Almost immediately he became involved with the labor movement. Like those he replaced, Díaz used labor moderates and their organizations for political ends, but he extended their usefulness as instruments of working class containment with a thoroughness exceeded only by post-revolutionary administrations in Mexico. His contemporary supporters lavishly praised him for his success in managing labor. They echoed the assessment offered by La Opinión in 1900: "...[Díaz] has conquered the love and respect of his subjects and an enviable reputation as friend of the workers." By almost any criteria, labor in the first two decades of Porfirian rule was effectively contained. 7

Labor remained so well subdued for most of the <u>Porfiriato</u> that later many erroneously assumed that Díaz response to labor was to destroy the movement physically with police and troops. Such assessments grossly underestimated the adeptness with which Díaz manipulated social, economic, and political forces into structures which supported, not threatened, his regime. While violence remained a useful instrument of labor policy, Díaz induced collaboration and used persuasion more often and more effectively.

The Porfirian labor management program was buttressed by a distinct ideological orientation which assumed no conflict

between the interests of workers and capitalists—if capitalists prospered, so would workers. As an institution which signaled "progress," the factory was proferred as a boon to the working class. Spokesmen for the regime, and that included labor moderates, emphasized that if the worker failed to improve his condition it was because he lacked education, intelligence, or culture. 10

A central tenet of labor philosophy was the imperative that relations between capital and labor be characterized by harmony. An editorial in <a href="Semana Mercantil">Semana Mercantil</a>, a newspaper representing commercial and industrial interests in Mexico, affirmed its support of such an orientation.

Warning of violent strikes and confrontations between labor and capital in the United States and in Europe, the newspaper cautioned "the weak manifestations" of workers discontent should not be "brutally put down by the armed forces."

Using the example of steam building pressure dangerously in a boiler, <a href="Semana Mercantil">Semana Mercantil</a> recommended "escape valves" to prevent a "formidable" explosion. The editorial closed with the reminder: "Anarchism is a delirium, but a dangerous delirium...and if the badness increases, society will be impotent to contain it."11

Porfirian labor policy recognized two types of workers:
"the honorable citizen" recognized as a "true positivist"
and "the parasite," characterized as an anarchist of "perverse

instincts" who "demoralized" the working class. Execution of labor policy became a matter of encouragement and protection for the former and unqualified opposition to the latter. 12

Porfirian planners were strongly influenced by the economic tenets of nineteenth century liberalism, but in practice abandoned the dogma of "free trade" in recognizing the need for protected markets if industry was to develop. larly, spokesmen proclaimed the liberal idea that government "must observe complete independence in the private sector in matters regarding labor," even as the regime actively intervened in labor matters. 13 This intervention included collaboration with moderate labor leaders and their organizations; diversion of labor interest into organizational modes which retarded militancy and organizational capabilities; and dispensation of special privileges and promotion of mass assemblies calculated to create and foster worker identification with the ideals of moderate labor and with the interests of the governing elite. Education and a press directed at the worker, but controlled by moderates and subsidized by the government, constituted a crucial part of the effort to create a moderate, non-threatening labor movement to combat the pronounced anarchist influence apparent when Diaz assumed the Presidency. When necessary, the regime employed violence and repression as needed to support the objectives of its labor policy.

One measure of the success of the Porfirian labor program was its ability to manipulate labor leadership. Not only did Diaz utilize moderates who had anticipated Lerdo's demise, but his administration recruited many <u>lerdistas</u> and an impressive number of individuals who had once identified with the anarchist faction.

Olaguíbel y Arísta was typical of those moderates who elected to support Díaz very early in the struggle against the Lerdo administration. After Díaz's victory, Olaguíbel y Arísta continued to support Díaz and moderate labor with publication of El Periódico Oficial del Gran Círculo Nacional de Obreros. 14

Carlos Larrea represented the moderate who switched allegiance as Lerdo's chances for a comeback became negligible. Larrea, a friend of the científico, Antonio García Cúbas, signed with Miguel Sánchez de Tagle a circular which appeared in Mexico City in August of 1877. The document called for the reorganization of the Gran Círculo "in accordance with the wishes of the Jefe Supremo of the nation; charged with harmonizing the interests of capital and labor." Tagle became the treasurer and Larrea the president of the resurrected and pro-Díaz organization. 15

The defection of Pedro Ordóñez, Carmen Huerta, Juan B. Villareal, and others who had been affiliated with anarchist groups in the 1870's deprived that faction of leadership as

it reinforced moderate positions. 16 These defectors provided the Díaz program with its most proficient leadership. From humble origins, Ordóñez rose to become the foremost labor moderate and a regidor of the Ayuntamiento of Mexico City for more than twenty years. Recruited from artisan ranks, his fortune shifted with political conviction and by 1890 the Ayuntamiento listed his occupation as "industrial proprietor." 17

Involvement of the regime in labor matters began with expropriation of San Pedro y San Pablo and the closing of the lerdista dominated Gran Circulo soon after Diaz occupied Mexico City in the autumn of 1876. The Larrea and Tagle cirappeared the following year, serving notice of support for a moderate organization. Opening late in 1877 as the Gran Circulo Nacional de Obreros Mexicanos (GCNO), that group was quickly opposed by a reincarnated lerdista Gran Circulo. Both groups claimed to represent the working class of Mexico City. The administration gave San Pedro y San Pablo to the GCNO on January 17, 1878, only to have the rival group "invade" the building two weeks later. Despite confrontation, moderates of both factions merged the following year to form the Gran Circulo Nacional de Obreros de México (GCNM) with Carlos Larrea as president and Periodico Oficial as its organ. The new coalition hardly lasted a month, as Diaz's first term in office was nearing its end. Diaz

moderates and many former <u>lerdistas</u> openly supported Manuel González, the official candidate. Opposition moderates sought a new champion in General Trinidad García de la Cadena, a regional strongman and the focus of Porfirian opposition. These moderates were joined by some anarchists in founding a rival organization, the <u>Zacatecas Gran Círculo de Obreros</u>, in April of 1879. 18

The GCNM revealed its moderate orientation with publication of its objectives in the first issue of Periódico Oficial. These stressed the "elevation of the worker by honest and productive work" and insisted "no one need fear its force [GCNM]...[might be] directed against legitimate rights." The GCNM "far from condemning and attacking capital, wants to...march in accord...and...labor must not be antagonistic." Social change was to be lawful, peaceful, and slow. 19

Periodico Oficial warned members of the GCNM who joined the rival group would lose their benefits and be exposed to dangerous anarchist doctrines, but the admonition failed to end the schism. Though anarchist were not responsible and, indeed, criticized involvement of the Zacatecas Circulo in politics, the leadership of the GCNM blamed those "children of envy" for instigating the crisis. Periodico Oficial exclaimed in frustration: "Power to the whirling politicians so they may tumble certain men!" 20

The feud mortally wounded both organizations. Its moderate membership divided, the GCNM collapsed in the early 1880's with its mission of harmonizing labor and capital unfulfilled. Installation of Diaz designate, Manuel González, and the collapse of García de la Cadena's challenge eased difficulties and made possible a reconciliation of moderates, but it came too late to save the GCNM. The Zacatecas Circulo, identified with a defeated opposition, waned and finally succumbed without García de la Cadena, who fell before the ley fuga in 1886.<sup>21</sup>

The introduction of political stability, as Diaz consolidated control, greatly affected the labor movement. Absence of challengers to Diaz's political hegemony meant the disappearance of moderate rivalries which had offered anarchists the political "outs" as potential, if unreliable, allies. Left to themselves, labor radicals faced the alternative of open and suicidal opposition or open and well rewarded cooperation. Some did neither and went underground and others rebelled and perished on the battleground, but too soon many championed evolution with all the conviction that had accompanied calls to revolution in the years before. 22

The tendency to defect was no more pronounced than among the leadership of the <u>Congreso Obrero</u>. Organizational structure, or more precisely the lack of structure, was largely responsible for that eventuality. The second <u>Congreso</u>

Obrero convened January 23, 1880 with thirty-three delegates in attendance. The upcoming presidential election soon disrupted the proceedings; nineteen delegates remained after representatives from the Zacatecas Gran Circulo "retired" on April 20 to campaign for García de la Cadena. elections for officers of the Congreso, Ordonez won the vicepresidency, José María González assumed the position of First Secretary, and Carmen Huerta became Treasurer. Ordoñez headed a "Permanent Commission" formed as the Congreso broke up in April of 1880. From that position, Ordonez went on to assume full control. The Permanent Commission remained the directing body of the Congreso and functioned to investigate and arbitrate strikes, as well as to conduct routine business Under Ordonez's guidance, the Congreso slowly expanded membership and by 1900 listed seventy-three sociedades in the Mexico City area and forty-six sociedades from elsewhere, including mutualistas in Laredo, Brownsville, and San Antonio, Texas. 23

The <u>Congreso</u> played a key role throughout the 1880's and 1890's in labor management. Ordonez elaborated upon the purposes of the <u>Congreso</u> in a lengthy article in <u>Convención Radical Obrera</u>, the official organ of the <u>Congreso Obrero</u>, in 1897. He claimed the <u>Congreso</u> "understood" the great social problems of the day, but "it has the conviction that our people are not yet of the aptitude to appreciate them...."

To prevent "difficulties," the <u>Congreso</u> would abstain from discussion. At the same time, it would strive to protect workers from "false apostles" and bad counsel. The "mission" of the <u>Congreso</u>, said Ordóñez, was "Union, Peace, and Work" and would always be so. To fulfill this mission, the <u>Congreso</u> would encourage mutualism, lead patriotic manifestations, and promote education as the means to worker advancement. 24

The void left by the dissolution of the <u>Gran Circulo</u> was filled in part with the founding of <u>Convención Radical</u> in May of 1886. Composed of delegates from <u>sociedades</u> in the Mexico City area, the <u>Convención</u> was originally organized by Enrique A. Knight. Within a year, a group headed by Ordóñez had infiltrated and captured control. The new leadership explained that Knight had wanted to create "a practical school of the republican institutions" that was "really impractical;" they chose a "<u>Junta Directiva</u>" to run the <u>Convención</u>. The Ordóñez group also charged Knight with trying to give the <u>Convención</u> an "exclusively political character" and with condoning insults to Supreme Court Justice Moisés Rojas. 25

With a change in leadership, the Ordonez faction asserted the <u>Convención</u> could develop "a serious progam of reform and incentive." With the military commander of the Federal District as president, with Ordonez in effective control of the organization and its organ of the same name, and

with the amended name of La Convención Radical Obrera, the captured Convención claimed twenty-two sociedades as members who represented fifteen thousand Mexico City workers. elections that year, the Ordonez faction triumphed 450-0, even though the opposition charged foul play. Claiming the Convención was analogous to the "great worker federations of the European nations," the victors' goals included "among other objectives, that of procuring the well-being of the working class," the "maintenance of public peace," and the "general progress of the nation." Their manifesto noted the Convención "marches today in accord with the program of the government, because that program is ours...Union, Peace, Progress." While denying any ties other than those of shared goals, the leadership acknowledged the role of high Porfirian functionaries such as General Hermengildo Carrillo, Military Commander of the Federal District, and General José Ceballos, Governor of the Federal District. The Convención praised their assistance in securing "advantages we could never obtain isolated." Whatever its effectiveness in meeting its stated objectives, none other than Semana Mercantil proclaimed: ... the influence of the respectable corporations Congreso Obrero and Convención Radical has been such that Mexican workers are not like those [socialist and anarchist workers] of Europe and the United States. 26

Mutualism and cooperativsm also helped divert labor from dangerous doctrines. Labor moderates stated frankly:
"In Mexico we count on an element that, by the excellence of its principles and by the morality of its institution, counters the anarchist doctrine...This element is mutualism." 27

Mutualism was the most common form of labor organization in Porfirian Mexico. The <u>mutualista</u> was a <u>sociedad</u> which provided its membership with social services unavailable from other institutions of Mexican society. <u>Mutualistas</u> provided rudimentary social insurance such as sickness and old age pensions, medical care, and funeral benefits. Most <u>mutualistas</u> afforded their members a social outlet in festivals and parties and some sponsored educational services such as night schools.<sup>28</sup>

Unión y Concordia, a mutualista which counted thirtyfive hundred Mexico City waiters as members in 1885, was a
typical organization. That mutualista in 1887 used its
annual income of \$38,515 as follows: for sick benefits,
\$22,000; for burial of 216 members, \$3,380; for pensions to
sixteen members, \$1,589; to free twenty-three prisoners, \$316;
for miscellaneous expenses, \$10,270; unspent, \$1,500.

While such organizations provided needed services, critics
charged they were inadequate. Financially weak, mutualistas
depended entirely upon contributions from working members,
whose miniscule wages made even \$0.50 monthly dues a sacrifice.

Some protested that those who contributed most benefited least—that healthy members subsidized the chronically ill. As a welfare institution, the <u>mutualista</u> never overcame such shortcomings as an inability to provide pensions to permanently disabled workers or assistance to the temporarily unemployed. Government and industry favored the <u>mutualista</u>; there the worker shouldered the full burden of his own welfare. 30

Porfirian efforts to pacify the Mexican worker focused on the mutualista. Mutualist organization expanded during . the Porfiriato, but rather than developing working class consciousness tended to arrest it. The Vice-President of the Congreso, Abraham Chavez, addressed Union y Concordia in August of 1897 and praised mutualistas for "refusing your approval and applause to those who detract from the mission ... of sane and useful organization, exploiting the proletariat class, even weakening its interest, or leading it on dangerous paths, involving it in conflicts of interest when it must march in mutual accord and complete harmony [with capital]." Lithographer Juan N. Serrano y Dominguez, an influential and vocal labor moderate, marveled at the effectiveness of the mutualista: "Comparing the worker of today [1897] with that of thirty years ago, we must admire his transformation." Serrano y Dominguez added, "Who can deny that this peaceful evolution... has contributed, even indirectly,

to the pacification of the nation and to [its] development...."

Government encouragement to mutualism ranged from pressure on local jefe politicos who opposed mutualist organization to a decree by Díaz which exempted <u>mutualistas</u> from payment of the revenue tax on their official documents. 31

Anarchists hoped workers might adopt, instead of the <u>mutualista</u>, the cooperative as a fundamental organizational unit. The worker cooperative would eliminate the need for the capitalist, the "incarnate enemy of labor," so anarchist organizers offered cooperativism as "the proletariat's table of salvation." 32

Porfirian planners did not oppose agricultural cooperatives in principle and even funded such projects as a means to boost production at little cost. Moreover, promotion of cooperatives invited collaboration rather than opposition and demonstrated the regime's goodwill toward workers. Best of all, the cooperative provided a philosophical alternative to social revolution. When labor moderates failed to mediate differences between labor and capital, most often they advised the disaffected workers to form a cooperative. The workers' lack of resources and the government's limited commitment made it an unviable alternative, but cooperativism did provide an ideological escape valve for moderates who fervently preached there was no conflict between labor and capital.<sup>33</sup>

With moderate collaboration, the Diaz regime sponsored several cooperative ventures. The Ministry of Fomento named Ordóñez official inspector of Colonia Sericicula de Tenancingo and financed that agricultural cooperative of textile workers from Mexico City who had been fired for refusing a pay cut. Ordóñez reported progress at the cooperative and urged the government sponsor others because "they affirm the peace." 34

Government interest in worker organization derived from its desire to contain and pacify the work force, but the motivation of labor moderates to cooperate in that effort arose from a number of considerations. Certainly there was ideological consensus, but practical and personal advantage firmly wed moderates and their organizations to the program of the government.<sup>35</sup>

Government aggressively showed labor organization the benefits of collaboration. Though relatively scanty, the rewards represented tangible goods otherwise expensive or unattainable without government largess. Aid to Asociación Artística Industrial provided educational, cultural, and workshop facilities as early as 1877. Government also financed installation of a printing press there. The Ayuntamiento of Mexico City in the fall of 1879 awarded the "circulo de obreros" funds to construct a workshop in San Pedro y San Pablo. As the Ayuntamiento already provided the Gran

<u>Circulo</u> with money for schools it operated there, an opposition newspaper, <u>La Tribuna</u>, cynically predicted: "With time we will see the president of the <u>Ayuntamiento</u> as president of the <u>Circulo</u>...." <u>Periódico Oficial</u> retorted that and more was possible if only the <u>Gran Circulo</u> manifested the correct attitudes. Indeed, in the years to come <u>Congreso Obrero</u> could boast both its president and vice-president belonged to the <u>Ayuntamiento</u>. 36

The Governor of the Federal District in December of 1880 ensured that members of the Gran Circulo who did not outlive their usefulness might yet be compensated. He donated to the <u>Circulo</u> one thousand square <u>varas</u> of space in the municipal cemetery, Panteon de Dolores. The Governor warmed members of Union y Concordia and Sociedad Xicotencatl with similar accomodations in February and April of 1881. The Comisión de Aguas of the Ayuntamiento agreed on August 30, 1881 to the Governor's request for water service to San Pedro y San Pablo, but insisted the expense be paid by the Governor's office. A week later, the job still unfinished, the Governor dispatched a terse reminder to the Comisión that his office would pay the \$356.74 bill for service. The next week the Governor authorized \$708.12 for "the works which must be purchased for a library in the Gran Circulo de Obreros.... Such favors invariably bound labor organization not to the worker, but to the government. So far did the

process advance that the Vice-President of <u>Congreso Obrero</u> boasted to <u>Unión y Concordia</u> in 1897 that the <u>Congreso</u> neither asked nor needed financial support from its member <u>sociedades</u> in fulfilling "its mission in a noble and disinterested manner." 37

Moderate labor organization and government policy worked in tandem to cultivate in the worker masses a sense of identification with the regime. Moderates explained difficulties between workers and the government resulted from misunderstanding, not malevolence or bad faith. The government need only be correctly informed—as in 1887 when strikers falsely accused by a "wicked" foreign capitalist faced harsh punishment, the <u>Congreso</u> and the Governor of the Federal District enlightened Dfaz and so prevented serious injustice. According to moderates, "community of convenience" united workers and the government in "the same inspiration, far from the distrust they previously had...."

Moderate labor organizations staged mass patriotic and political rallies to dramatize this togetherness. Labor leaders especially encouraged worker participation and attendance in "patriotic manifestations." Moderates like Serrano y Dominguez credited patriotism with removing envy of the "privileged classes." 39

The <u>Comité Patriótico</u> of the <u>Congreso</u> and the <u>Conven-</u> <u>ción's Comisión de Órden de Festividades Patrióticas</u> promoted celebrations ranging from Juárez's birthday in February and Cuauhtemoc's martyrdom in August to independence on September 16 and the triumph of nationalism "el Cinco de Mayo." Whether parading majestically beneath colorful banners of the many sociedades or listening reverently to epic Nahuatl poetry composed in honor of Cuauhtemoc, patriotic ceremony urged identification with the national state. 40

Patriotic affairs were carefully planned and financed.

Comité Patriótica announced months in advance its preparations for July 30, 1901. Celebration that day of Hidalgo's death cost the committee a total of \$1037.87. Government agencies provided most of the funds: \$250 from state governments, \$25 from the Secretary of Hacienda, \$100 from the Ayuntamiento, and \$150 from the Secretary of Gobernación. Individuals donated \$249.50 and mutualistas made up the difference of \$269.37.

Workers could express their patriotism by enlistment in the National Guard; Juan B. Villareal and others suggested that in appeals to workers published in <u>El Hijo de Trabajo</u> in July and December of 1884. Some workers must have been persuaded by such rhetoric. <u>Comité Central Obrero "Patriotas Mexicanas"</u> in a recruiting drive for the summer of 1902 claimed the enlistment of 10,000 workers in the Second Reserve. 42

Labor moderates revered live heroes with all the pomp and ceremony accorded dead heroes, and birthday parties for General Diaz were second to none. The celebration of September 14, 1887 was especially notable. The grandness of the occasion, or maybe the thirty-four hundred workers stomping through the National Palace, reportedly brought tears to the old soldier's eyes. The press suggested it was a beautiful laurel from the Asociación de Obreras Mexicanas which caused Diaz to be so "overcome with emotion." Diaz also received a birthday card, which had been engraved by Serrano y Dominguez and presented on behalf of the labor leaders and their organizations. Diaz praised the assembled workers for their contribution to national progress and lauded the working class as "truly patriotic." Díaz then embraced Ordóñez, who presided over the affair and who warmly returned the gesture. Not to be outdone, Abraham Chavez led vivas for Díaz. Swept up in the emotional contagion of the moment, the President of the Republic responded: ": Vivan les sociedades de obreros!" [Long live the workers' societies!].43

In the next issue of <u>Convención Radical</u> moderates pointed out the importance of the occasion: "...the President of the Republic...the intelligent <u>político</u>...understands perfectly that popularity...is not found in aristocratic salons...but in the shop, in the factory, in the mine, in the countryside." More importantly, Díaz saw firsthand "with

what ease the <u>Congreso Obrero</u> guides these multitudes and... counsels peace, love of learning and work, respect of authority and of the police...." Even if the lot of most workers remained unchanged by such affairs, the cheerleading Chavez became a <u>regidor</u> of Mexico City less than four months later. 44

If public celebration offered the rank and file vicarious thrills, collaboration gave labor leaders the rewards of personal contact. The Military Commander of the Federal District and President of the Convención Radical, General Carrillo, hosted in May of 1887 a banquet at the elegant Tivoli de Eliseo for the leadership of the various sociedades de obreros of Mexico City. The banquet, set to boost Díaz's upcoming presidential election, featured good champagne and questionable poetry. Typical was this effort at eulogy:

As meritorious companions in immortal regards we will conserve engraved the gracious names, beloved of Ordonez and of González.

Those in attendance were also treated to speeches from José Barbiér, first president of the <u>Congreso Obrero</u>, and others who spoke in behalf of Díaz's candidacy. Encouraged by wine and word, labor leaders agreed to sponsor a mammoth political rally on June 3, 1887. 45

The <u>Congreso Obrero</u> authorized the expense of twelve thousand tricolor banners for the marchers and purchased eighty gross of skyrockets. The rockets were fired at 10:30 A.M.

on June 3 to signal the start of the parade. The procession of 10,415 workers and their patriotic tricolor banners filed past the National Palace for one and a half hours. Whatever their effectiveness in containing labor, the moderates made spectacularly visible political allies. Organizers heralded the demonstration as evidence of worker support for Diaz and "a message to the enemies...to those who look with scorn on people who work, produce, and consume in order to be useful to the land where they were born." The leadership touted the "manifestation" as proof that workers rejected the "utopians" and their "very beautiful" theories. 46

A cartoon which appeared in <u>El Hijo del Ahuizote</u> soon after the march reflected a more cynical estimation of moderate interest in such manifestations. (See Figure 3.) The cartoon referred to the nomination of Ordóñez to the National Congress. The nomination was endorsed by <u>El Proletario</u>, a newspaper edited by Serrano y Dominguez.

Both the national government and labor moderates insisted education, not social revolution, was what workers needed: "For the victory of the worker in practical life, instruction is necessary as a principal element. Where can this be secured? In the Night School." Here, one could heed the call: "To study, workers, instruction is the light and makes man free and happy."



Fig. 4. "I am the same one, general, with my own candidacy."

SOURCE: El Hijo del Ahuizote (México, D.F.), June 10, 1888.

From a subsidy by the Federal District to the "night school of the <u>Gran Circulo de Obreros</u>," the Díaz regime's commitment to worker education expanded into a government administered system of nine night schools for men and women workers. Facilities such as "National Night School Number 7 For Men Workers" advertised "Free Instruction" and claimed to demonstrate: "The Supreme Government does not omit expenses in any of these establishments, showing its incessant concern for the instruction of the people. 50

The educated worker could read a press at least as well subsidized as the school system. <sup>51</sup> The working class press had been important in disseminating anarchist ideology, but persecution denied that outlet and labor moderates, alone, enjoyed use of that medium to communicate their message. <sup>52</sup>

Periódico Oficial showed the weaknesses of a newspaper directed toward, but not composed by the working class. As the organ of the GCNM the newspaper claimed to represent no less than all the workers of Mexico, but ties to the mainstream of Porfirian politics were evident. Periódico Oficial's first editor, Olaguíbel y Arísta, had previously edited El Proteccionista, a newspaper "exclusively dedicated to defend the protectionist doctrines." El Proteccionista fervently preached in behalf of industrialization and criticized Lerdo's supposed ambivalence toward toward that goal. Like its antecedent, Periódico Oficial demonstrated an affinity for

positivism, a philosophical pillar of Porfirian politics.

Periódico Oficial commented in 1879: "The influence of positivism...has only begun to penetrate [as far as] the capital of the Republic...only here can be found the true lovers of knowledge." Those "amantes del saber" included Antonio García Cúbas, whose Revista Científica Mexicana was promoted in Periódico Oficial, and Pablo Macedo, an editor of Periódico Oficial and an attorney for the GCNM. Both would later be recognized as prominent científicos; García Cúbas as a Minister of Fomento and Macedo as an influential economist. 53

Links between Periódico Oficial and the Ministry of Fomento were evident. Not only did Fomento cooperate with the GCNM in staging and promoting industrial expositions, but notices of such happenings most often constituted the "Official" columns of the newspaper. 54

Official columns dealing with industrial trade expositions, political commentaries praising and defending the Porfirian party, and front page coverage of such timely topics as "Romanticismo" were the newspaper's usual format. "Worker" input included such items as a letter from Juan Cano protesting abuse from Jose María González and a manifesto from the Sociedad Mutualista de Trabajadores Unidos de Hidalgo de Parral denouncing taxes on the textile industry with the aside: "We don't want maxims or reforms, we want protection for industry." Not surprisingly, the source most

frequently cited and reprinted in <u>Periódico Oficial</u> was <u>Diario Oficial</u>, the organ of the national government.<sup>55</sup>

If <u>Periodico Oficial</u> did not originate with the working class, its message was aimed there. The weekly preached "respect for authority" as the "base of order and the foundation of true progress." The newspaper aggressively argued that the working class press should not be part of the political opposition. <u>Periodico Oficial</u>, condemning the "diatribe and calumnity" of the press which went so far as "to employ epithets [nicknames] against the citizens who occupy the presidential chair or the halls of Congress," called for vigorously censorship of the press as authorized by Articles 6 and 7 of the Constitution of 1857. <u>Periodico Oficial</u> survived a number of setbacks, but could not weather the disintegration of the GCNM. 56

More successful was <u>Convención Radical</u>. From 1887 until 1902, that newspaper faithfully promoted and publicized the philosophy and activities of moderate labor.

Ordóñez edited with the collaboration of Serrano y Dominguez and González y González in most of those years. The newspaper showed many of the weaknesses of its prototype, the <u>Periódico Oficial</u>, but was not so obviously an artificial creature. <u>Convención Radical</u>'s contributors <u>were</u> the moderate labor movement and they gave extensive coverage and encouragement to mutualist activities. For those reasons

Convención Radical more nearly reflected the mainstream of working class interest. 57

That was not to say its message varied much that of Periódico Oficial. The weekly was openly political (even as it denied it was) and boasted of having been the first of the national press to support reform of Article 78 of the Constitution of 1857 to permit Diaz's reelection in 1888.

Convención Radical preached unquestioning obedience to the state: "...the respect of a people for the police is the thermometer which marks its civilization." Ignorance, not law, the newspaper argued, kept workers from securing their rights. The newspaper took care to publicize gestures which demonstrated the administrations's affection for labor. Frequently cited for exemplary conduct were the President of the Republic, the Governor and the Military Commander of the Federal District, the Minister of Fomento, and other high officials. 58

What was the role of violence and repression in Porfirian labor policy? Institutionalized violence was an integral part, but was employed fastidiously to enhance the effectiveness of other parts of that policy. While the Constitution of 1857 and other liberal-authored legislation such as the Civil and Penal Codes of the Federal District authorized the use of force to break strikes, the Diaz regime seldom chose to act in that manner. Had the administration

done so it would have indicated that its labor policy was failing and that was untrue before 1900.<sup>59</sup>

While the regime certainly did not encourage the strike, it was willing to tolerate such action under certain conditions. On In comparison with previous liberal administrations and with the <u>interregnum</u> of Maximiliano, the Díaz administration found less need to dispatch troops or police to break strikes. In most instances, the administration simply took no notice. Usually the response was an effort to mediate differences. Rarely was force employed. Of approximately forty textile strikes reported by the press between 1877 and 1900, the regime intervened with police or troops in less than one of every ten strikes. 61

Most often strikes in Porfirian Mexico were a defensive reaction. As such, they were an "escape valve" and labor policy sought only to contain such gestures, not to deny them. Under moderate leadership, strikes seldom attempted more than to minimize the effects of a wage cut or to remedy an intolerable abuse. The peaceful striker had no reason to fear intervention, but because of sparse and restricted resources strikers could not hold out long and so threatened neither capital nor government. If unruly, the striker was subject to arrest. 62

Violence was most often aimed at those who might seek worker support in challenging the regime. Alberto Santa Fé,

named a delegate to the <u>Congreso Obrero</u> of 1880, tried to remedy the conditions of both rural and urban workers with his proposed <u>Ley del Pueblo</u>, which inspired several attempts at armed revolt. In reporting maltreatment by factory owners, <u>El Hijo de Trabajo</u> warned in 1879: "Colonel Santa Fé has proclaimed socialism, do not complain...if some day the workers ask for an accounting...." In 1886, the American Vice-Consul in Guerrero commented upon the recourse to arms: "Where unrecompensed and dissatisfied labor finds an outlet in strikes in the United States, it here resorts to a revolution." But Santa Fé was imprisoned, and Francisco Zalacosta and other revolutionaries were overwhelmed and put to death; in this manner violence denied labor an alternative to moderate leadership. 63

Repression of the working class was seldom so obvious as troops breaking a strike. It was visited in more subtle ways. Veracruz authorities in 1900 observed in a strike involving immigrant workers that some were influencing their companions with "socialist propaganda." Under authority of Article 33 of the Constitution of 1857, the government expelled the "pernicious foreigners." Authorities in Veracruz reported that the remaining workers "dedicated themselves peacefully to work." In maintaining surveillance, government could count on the assistance of private police forces

maintained by the capitalists. Both made extensive use of informants and spies.<sup>64</sup>

That the regime would not always react forcefully to break strikes was demonstrated by the Puebla Textile Strike of 1884. Workers in Puebla organized in the summer of 1884 under moderate leadership. The "Junta General" which directed those activities took care to distribute a broadside advertising its intentions. Addressed to textile factory owners, the manifesto disclaimed association with radical labor: "It is not the intention of the working class to launch itself in socialist avenues or to seek in the confusion of communism the well-being that it is accustomed to finding by means of work." Rather these workers were "foreign to and an enemy of such dissolute theories" and sought to "maintain harmony between the interests of capital and labor." In consultations with textile owners, the organization reported the document was so well received that several owners offered "their financial assistance and complete moral support." El Hijo de Trabajo, which published the story, endorsed the manifesto and urged workers throughout the Republic to "second it."65

Several textile factories in Puebla announced pay cuts in September of 1884 amounting to six <u>centavos</u> per <u>manta</u>. 66 Workers, "wishing to harmonize their interests with those of the proprietors," asked for a reduction of only three <u>centavos</u> per <u>manta</u> but were refused. The workers walked out. By late

September the strike spread to most of the textile factories around Puebla. The press reported more than six thousand workers had left their jobs by early October. Except for the harassment and arrest by rurales of thirty workers at the factory of La Tlaxcalteca, strikers were not persecuted. Semana Mercantil commented on requests for government intervention against the strikers with the observation: "...the President of the Republic cannot intervene." With assistance from workers in Mexico City and elsewhere, Pueblan strikers won the following concessions in October of 1884: (1) hours of work: summer, 5-9; winter, 6-9 (2) one-half hour for breakfast; one-half hour for lunch (3) payment in legal tender (4) workers free to buy from whom they pleased (5) no deductions from salary (6) no arbitrary fines (7) settlement to be posted in each factory (8) no reprisals payment of debts in installments (10) slight wage increases at La Tlaxcalteca.67

Three thousand workers in Tizapan and Tlalpan, where labor radicalism enjoyed a long tradition, struck the following month. This time the government intervened and broke the strike. It punished the leadership and blocked transportation routes between Tizapan and Tlalpan to prevent workers from reinforcing themselves. Unlike most strikes of the period, Tizapan-Tlalpan began aggressively with the hope of improving wages and working conditions. 68

More frequently the government attempted to arbitrate strikes. Because most strikes were defensive, arbitration sought to minimize worker losses rather minimize their gains. The Governor of the Federal District, local political <u>jefes</u>, the <u>Congreso Obrero</u>, and even the President of the Republic assumed the role of mediators.

Early in the period, the Governor of the Federal District already counted worker welfare a part of his responsibilities. The Governor in August of 1881 issued a directive to the <u>Ayuntamiento</u> condemning the actions of Pedro Fernández, a foreman of the city workshop, who had pressed peons into service at the rate of one <u>real</u> weekly. This was, according to the Governor, "an intolerable abuse on the part of an employee of the <u>Ayuntamiento</u>." 69

More often the Governor expressed his interest in the working class by arbitrating strikes. Mexico City cigarette workers struck in 1887 when factory owners announced they would increase minimum daily production per worker from 2000 up to 2,600 cigarettes. The <u>Congreso Obrero</u> asked the Governor to mediate and afterwards reported: "Splendid Triumph; In harmony capital and labor; industry prospers; the capitalist profits, the workers are content, and progress advances." The Governor's settlement stipulated that each worker would only have to produce 2,500 cigarettes a day

instead of 2,600. Here was "satisfaction for the government, honor to the nobility of the factory owners, and glory for the Congreso Obrero!" 70

The Permanent Commission of the Congreso Obrero, which usually was Ordóñez, Huerta, and González y González, settled many strikes in the 1880's and 1890's. Textile workers at San Antonio Abad in Mexico City struck in March of 1888 because the factory was using defective materials which meant decreased wages for the operatives. Their strike failed and management demanded a fine of two pesos per telar from the workers as a reprisal. 71 Since each worker usually operated at least two telares, the sum might equal a worker's weekly take-home pay. Happily, Congreso Obrero negotiated and each paid only a one peso per telar fine, not to management but to the Casa Amiga de la Obrera, an orphanage. When criticized for its interference, the Congreso defended itself with the observation: "...governmental authority was that which directed President Pedro Ordonez [to intervene]." Unabashed, Congreso Obrero continued its efforts. Its commission ended an eighteen day strike in June of 1888 at the textile factory of La Victoria without a pay reduction for workers. The commission noted that the strike began because of lack of communication, but that it had solved the problem: shook hands, demonstrating the harmony which always must reign between capital and labor."72

A month later, when management discreetly explained to workers that the factory was operating at a loss and would have to close unless pay was reduced, all the workers showed up for work the next day even with the reduction in force.

Congreso Obrero and Convención Radical hailed La Victoria as a model of labor and capital relations. 73

Harmony vanished when workers at La Victoria returned to strike in March of 1889 to protest further reductions in salary, increased hours, and insults from José Viadero, the owner. Viadero, a Spaniard, was quoted as shouting: "All Mexican workers are thieves!" With that remark, workers abandoned their telares and the Congreso returned to patch up matters. Carmen Huerta mediated a settlement which included acceptance of a pay cut and installation of the mutualista "Victoria" with Viadero as its treasurer. Victoria, the Congreso rhapsodized, was truly a "loving lasso" uniting labor and capital. 74

Being a national organization, <u>Congreso Obrero</u> made itself available where needed. Called in May of 1890 to settle a strike by textile workers in Nogales, Veracruz, long a center of labor unrest, the delegation of Ordóñez, Huerta, and González y González settled difficulties easily enough, though they registered dismay at the "unpatriotic" atmosphere of Nogales. Conspiciously absent, they complained, were

flags and banner to celebrate "el Cinco de Mayo." They hinted such negligence might be behind problems there. 75

Congreso Obrero promised success where other might fail. When six hundred workers at La Colmena y Barron struck in January of 1898, the Congreso became involved as mediation efforts by local authorities in Tlalnepantla and by the Governor of Mexico state foundered. Convención Radical smugly reported that a delegation led by Ordonez had been dispatched "in order to end at once some small obstacles." The report promised "...tomorrow...the progressive movement of the factories will return." While management at first refused to allow the strike leaders back to work, Congreso settled the strike with no reprisals and no pay reductions. After management reneged on its agreement and cut pay less than a month later, Convención Radical was moved to declare: don't approve, nor much less counsel the moral rebellion that is called strike...." Significantly, the moderate commentary added that the shortsightedness of some capitalists sometimes left no alternatives. 76

If all else failed, workers could appeal to the President of the Republic for assistance. While direct intervention by Diaz on behalf of workers was uncommon, it did occur. When the <u>Sociedad Fraternal de Costureras</u> greeted Diaz on his birthday in 1902 with the complaint of poor pay and little work in the clothing plants where they sewed uniforms, the

President promised to intervene in the matter so that the seamstresses could earn an "honest living." 77

Whatever the effort or the success of efforts to contain labor, the struggle between the two opposing tendencies within the Mexican labor movement continued unabated, if muted. Although moderates enjoyed the powerful backing of government and a monopoly of the press, they never took their radical foes lightly. They often admitted: "In our working classes there exist some elements of disorder, which make inert many forces for production..." In his 1897 address to <u>Unión y Concordia</u>, Abraham Chavez warned: "Beware of the false apostles of the worker and the bad counselors of the proletariat...that painful way which more than one time has failed those who it guided. Oh! Unhappily, some victims!"<sup>78</sup>

Congreso Obrero revealed it prevented observance of the "European" May workers' celebration in 1891 by "intentionally not giving it importance," but conceded "there was no lack of individuals who wished to promote it..." The Congreso alleged the workers of clothing factories were especially eager for such activities. The Congreso claimed it blocked the demonstration because "...the enemies of order and of the government had prepared extraordinary forces to convert it into a political demonstration with the object of altering the peace and of producing a conflict in which blood would be shed." Even if domestic radicals could be dealt

with, the <u>Congreso</u> of "European and American workers, active agents of associations there," who were in Mexico to spread socialist doctrines.<sup>79</sup>

While moderates promised to vanquish their foes, they often qualified their claim. Typical was their subtle admonition in 1888: "We hope that the peace and the astute government of General Diaz will be sufficient to better the condition of our workers, in order that never will we face the horrible specter of those countries [the United States and Europe], their workers resorting to the club, to gasoline, or to dynamite. 80

Moderates defended their courtship of the national government with the observation that the lot of most workers was improving, even if slowly, under the Porfirian scheme of development. Indeed, from 1877 to 1898 the real wages of Mexico's industrial workers did rise, albeit erratically. Figure 4 shows minimum daily industrial wages from 1877 to 1898.

Moderates argued that workers' problems could never be cured with "theories which are not in accord with justice, like that [which suggested] property is robbery, and that of the community of goods...From here was born socialism badly misunderstood, communism, and finally anarchism, the ultimate expression of barbarism...." To avoid these extremes, moderates called upon the national government to embark upon

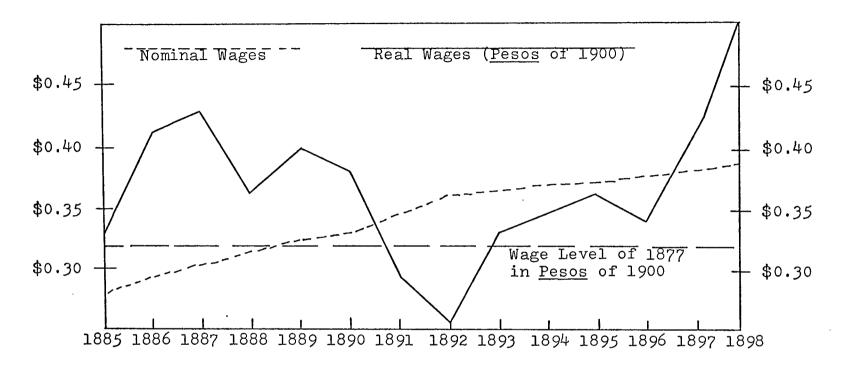


Fig. 4. Minimum Daily Industrial Wages, 1877-1898.

SOURCE: Colegio de México, <u>Estadísticas económicas del Porfiriato</u>: <u>fuerza de trabajo y actividad económica por sectores</u> (Mexico, D.F., n.d.).

an ambitious program of social reform. Typical of moderate suggestions for reform was a proposal by <u>Convención Radical</u> in 1901 which anticipated some of the functions of the modern welfare state. The proposal called for full employment, for health care and old age security, schools "to direct the sentiments with moral instruction," and "houses of reclusion for the vicious." In all, moderates offered reform as " a therapy to cure the material ills and the ills of the soul."<sup>81</sup>

Radicals advised workers to seek another solution, social revolution, and warned capitalists:

If someday in place of factories you find ruins, in place of looms you find ashes, instead of richness you have misery, instead of stepping on carpet you step on blood, do not ask why. Today our workers are still sheep, tommorow they will be lions. Oh, you that provoke anger! Then those, so humble, so resigned, so debased, will give you the day of justice: On your knees, miserable ones.!"82

A worker's letter to <u>El Socialista</u> in August of 1877, when Díaz's labor program had only begun, demonstrated the radical resolve. Despite repression as evidenced in prohibitions against reading materials, in the presence of factory police and spies, and in the tendency of government to side with the factory owner, that radical worker vowed to continue the struggle underground: "We are not a few, in every factory, those who work for the rest, and are dedicated to lose our lives before we break our pledge." Such dedication would prove formidible if moderates ever faltered in conviction or if Porfirio Díaz failed to improve conditions for the workers.

## CHAPTER III

## ECONOMIC DEPENDENCY AND THE FAILURE OF PORFIRIAN LABOR POLICY

Mexico's "progress" was "undeniable" after more than two decades of Porfirian developmentalism, as President Díaz had boasted in his address to the National Congress on the eve of the twentieth century. Convención Radical echoed those sentiments in 1901: "It is certain the country enjoys prosperity. It is true that commerce...and industry are growing. No one doubts but what the great foreign enterprises further the acceleration of that well-being with their capital." At the same time, the moderate newspaper was painfully aware that a large majority of the working class did not share in prosperity. It lamented:

What has the proletariat of the countryside gained with the increase of agriculture? Nothing, the status quo continues with the same demands and humiliations of two centuries ago.

What have the mining workers gained with the immeassurable development that the mining industry has received? Nothing. Only the stagnation and lowering of wages....

What have workers of all the mechanical arts gained...? Little, so little as to say the benefit...is merely moral...and counterproductive in a material sense.<sup>2</sup>

Those complaints reflected a mounting crisis among moderates in the labor movement. After decades of counseling patience and cooperation, moderates were compelled to recognize that labor was not sharing in Mexico's development. Under the auspices of real wages and no little governmental assistance, moderates had effectively contained radical elements for most of the 1880's and 1890's. After 1898, the Mexican economy faltered. That reversal imperiled the success of Porfirian labor policy. A finely balanced package of persuasion and coercion, its effectiveness hinged on the ability of the Porfirian regime to engineer, or to at least take credit for, modest improvements in the lot of Mexico's industrial workers. A defective economic plan curbed the ability of the Diaz regime to provide the concessions with which moderates had kept the radicals at bay. Economic reversal, more than the structure of labor relations, generated the failure of Porfirian labor policy which the bloody "strike" at Río Blanco signalled.

Real wages had slowly increased in the first two decades of Porfirian rule, in 1898 peaking 15 percent higher than 1877 levels, but the third decade brought a sharp decline. By 1910, wage levels approximated those of 1877. The result was demoralization and dismay among the working class. Figure 5 shows the fall of real industrial wages in Porfirian Mexico.

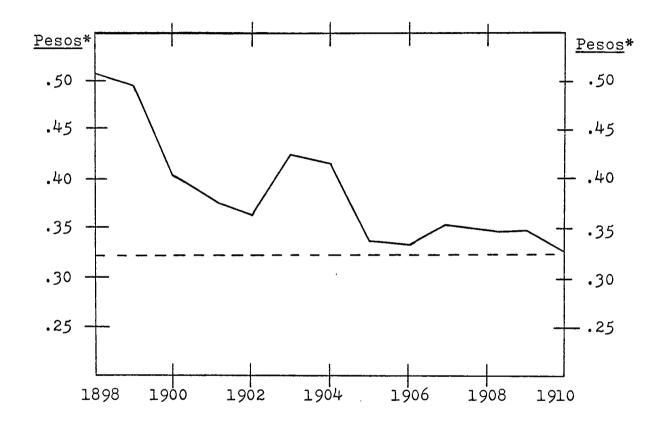


Fig. 5. The Decline of Real Wages, 1898-1910.

SOURCE: Colegio de México, <u>Estadísticas económicas del Porfiriato</u>: <u>fuerza de trabajo y actividad económica por sectores</u>, (México, D.F., n.d.).

<sup>\*</sup>Pesos of 1900

Although nominal wages had risen throughout the period, they did not keep pace with the escalating cost of living.

Urban workers, who usually lived precariously near the subsistence level, especially felt the crunch. A comparison of Table 12, which shows an estimated cost of living for urban workers, with Table 13, which shows nominal wages for several occupations, is suggestive of the predicament workers found themselves in.

TABLE 12

COST OF LIVING FOR THE WORKING CLASS
IN SELECTED CITIES<sup>3</sup>

City	Minimum <sup>b</sup>	Average <sup>b</sup>	Maximum <sup>b</sup>
Guadalajara	\$0.37	<b>\$0.</b> 50	\$0.75
Mexico City	\$0.50	\$0.90	\$1.25
Monterrey	\$0.50	\$0.75	\$1.50
Puebla	\$0.50	\$0.90	\$1.25
Veracruz	\$0.70	\$0.85	\$1.00

SOURCE: Commerce and Labor Department, <u>Bulletin of the Department of Labor</u>, VII (January, 1902), 60-61.

al 1902 Estimate

Nominal Wages in Pesos

TABLE 13

DAILY NOMINAL WAGES FOR SEVERAL OCCUPATIONS IN SELECTED CITIES

SOURCE: Commerce and Labor Department, <u>Bulletin of the Department of</u> Labor, VII (January, 1902), 60-61.

NOTE: Maximum and Minimum Daily Nomimal Wages are shown in <u>Pesos</u>.

Maximum wages are those of supervisory personnel, i.e. foremen, and <u>maestros</u>. Minimum wages are for apprentices. Wages for operatives fall somewhere in the middle range.

Convención Radical recalled that daily wages in the past thirty years had remained relatively stabilized between fifty centavos and one and a half pesos. That was adequate the newspaper suggested, because then "the goods of primary necessity were cheap." But now, the workers' weekly charged, food prices had risen 100 percent, rents had increased 500 percent, and clothing cost 75 percent more, while wages remained static. Other estimates suggested that the increase was more like 300 percent for rent and 1000 percent for food. At any rate, workers needed no newspaper to tell them a crisis was afoot. The exigencies of everyday living made that perfectly clear.

Workers were particularly vulnerable to increased food prices. Food costs ate up three-fourths of the income of most urban workers. Corn and beans were dietary staples for the urban and rural worker alike. But unlike his rural counterpart, the urban worker could not 'grow his own' and so felt increasing agricultural commodity prices with a severity experienced by few sectors of Mexican society. Figure 6 shows bean and corn prices from 1885 to 1910.

While the economic crisis cost the lesser paid workers their physical well-being as adequate nutritional levels became ever more unaffordable, better off workers paid a psychological price. Those who earned more were "...even

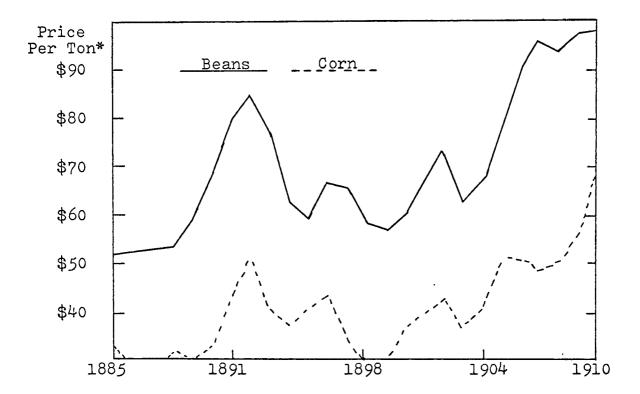


Fig. 6. Corn and Bean Prices, 1885-1910.

SOURCE: Colegio de México, <u>Estadísticas económicas</u> del <u>Porfiriato: fuerza de trabajo y actividad económica</u> por <u>sectores</u>, (México, D.F.).

<sup>\*</sup>Price per ton in pesos

more oppressed...because they had to sustain an outward position of decency, if they wished to avoid a loss of honor."

"Decency" became ever more expensive as table 14, an index of prices in Mexico City for selected years, demonstrates.

TABLE 14

MEXICO CITY PRICE INDEX, 1877, 1886-1910
1900=100.0

Year	General	Food	Other
1877 1886 1887 1888 1889 1890 1891 1892 1893 1894 1895 1896 1897 1898 1900 1901 1902 1903 1904 1909 1909 1910	68.7 77.9 68.0 87.9 68.0 87.5 85.3 84.8 97.7 93.1 102.8 85.5 102.8 85.5 102.8 120.8 121.9 133.9 131.9 143.7	65.1 75.4 65.8 85.8 83.2 97.9 92.7 92.7 84.0 102.7 84.1 103.9 121.4 103.4 103.4 103.4 103.4 103.4 104.4 105.5 105.	104.3 102.3 103.5 101.4 106.2 104.3 100.9 100.8 103.1 99.9 103.2 101.4 103.9 98.2 93.0 100.0 106.7 108.5 128.8 135.0 122.9 112.9 122.9 1126.6 138.8

SOURCE: Colegio de Mexico, Estadísticas económicas del <u>Porfiriato: fuerza de trabajo y actividad económica por sectores</u>, (Mexico, D.F., n.d.).

Why now, asked Convención Radical in 1902, was labor labor faring so poorly after the government had encouraged progress "by all possible and imaginable means?" Paradoxically, the Porfirian regime found itself beset by economic crisis in part because its developmental program had been too successful. Efforts to modernize the Mexican economy through destruction of traditional modes of production and distribution succeeded. Factory workers replaced artisans and capitalist agriculture displaced communal farming. A network of railroads connected Mexico's agricultural and mineral resources with the advanced industrial economies of North America and Western Europe. Sophisticated machine technology and modern organizational methods had accompanied the influx of private capital needed to "develop" Mexican resources and industry. Mexico had thrown "its doors wide open to the men of enterprise" and had tendered to them "its natural resources under the protection of an unalternable peace."9 Where then was the progress which orthodox development theory promised would accompany the investment of large amounts of foreign private capital in the productive sectors of the nation? Certainly development had changed Mexico, but few Mexicansprofited, and that "progress" dearly cost the larger portion of Mexican society. Mexico's productive capacity had been greatly expanded, but North American and Western European economies reaped the benefits.

What went wrong? Economist Thetonio Dos Santos' insights into the process of underdevelopment and dependence seem applicable to the Mexican experience. Dos Santos argues that dependence occurs when "the economy of certain countries is conditioned by the development and expansion of another economy." Interdependence becomes dependence when dominant economies "can expand and can be self-sustaining," while dependent economies operate "as a reflection" of the dominant economy. Dos Santos' typology of dependence includes "financial-industrial" dependence, based on foreign investment in raw material production destined for overseas consumption, and "technological-industrial" dependence, based on foreign investment in the internal market of a lesser developed national economy. 11

The application of Dos Santos' model of dependency to
the Mexican experience suggests that foreign investment in
the production of Mexican agricultural and mineral products
for export and foreign investment in the domestic production
of consumer goods created an economic infrastructure tied
not to Mexican needs, but to the demands of the dominant
North American and Western European economies which controlled
77.7 percent of Mexico's corporate establishment. Investments in agriculture and mining, and in facilities to transport those raw materials, dictated an internal economic arrangement that was oriented to external economies. Metropolitan

demand for export determined not only the quantity of production, but price levels as well. That foreign-oriented and controlled development restricted expansion of Mexico's internal market because most income from exports had to be spent on the inputs required for export production (railroads, port facilities, agricultural and mining machinery, ect.). In addition, the extreme exploitation of workers in the export sector limited their ability to purchase goods in the internal market. The enclave economy characteristic of export production meant profits would be remitted abroad and so would be unavailable for reinvestment. Since most of the input purchases for export production would be made abroad, advanced industrial economies benefited while Mexico's internal economy received little or no stimulus from those pur-In effect, the enclave economy associated with export production acted an an insulated conduit from which the more developed economies siphoned Mexican resources with only marginal benefits to the Mexican economy.

Mexico's mining industry was an example of the short-comings inherent in export production. Foreign investors found Mexican mining ventures especially attractive. Subsequently, the infusion of large amounts of capital and technology allowed tremendous increases in production. Yet as production increased, prices typically fell and Mexico had to sacrifice increasingly larger portions of her mineral

wealth for dwindling returns in the metropolitan marketplace. Representative of that process was the case of silver. Mexico increased annual silver production from 607,037 kilograms in 1877 to 2,305,094 kilograms by 1910, a nearly 400 percent increase. Yet Mexico received a return in 1910 only 178 percent higher than that received in 1877 for about one-fourth as much silver. Table 15 shows production and returns for for Mexican silver from 1877 to 1910.

TABLE 15
SILVER PRODUCTION AND VALUE, 1877-1910

Year	Production	Value in U.S. Dollars
1877 1878 1879 1880 1881 1882 1883 1884 1885 1886 1887 1888 1889 1890 1891 1892 1893 1894 1895 1896 1897	607,037 614,329 673,485 714,515 714,630 722,683 774,675 812,069 836,080 917,368 962,189 1,010,574 957,029 1,023,449 1,151,073 1,350,249 1,422,709 1,422,561 1,490,986 1,556,620 1,714,520	22,601,599 22,873,100 24,800,078 26,135,541 26,139,747 26,078,487 27,733,853 28,707,452 27,913,906 29,651,953 29,880,289 30,555,907 29,680,766 35,048,892 34,992,446 36,296,258 31,375,269 29,916,903 32,697,984 32,226,693 31,427,010

TABLE 15-Continued

Year	Production	Value in U.S. Dollars
1898 1899 1900 1901 1902 1903 1904 1905 1906 1907 1908 1909	1,771,935 1,716,214 1,816,605 1,772,214 2,023,922 2,013,383 1,931,985 1,849,956 1,756,704 2,151,014 2,291,261 2,257,363 2,305,094	34,219,401 33,424,200 36,271,286 31,986,177 32,212,616 36,328,512 37,642,287 37,802,926 38,544,721 42,427,544 38,306,637 38,032,810 40,277,658

SOURCE: Colegio de México, <u>Estadisticas económicas del</u> <u>Porfiriato: comercio exterior de México, 1877-1911</u>, (México, D.F., 1960).

Mexico's export industries extracted tremendous wealth, but Mexico's share was inconsiderable. The greatest benefits accrued to foriegn capitalists who directed the great extractive enterprises. Yet Mexico paid the largest part of the expenses for the facilities such as railroads and ports which made production for export profitable. Ironically, the export sector contributed relatively little in tax revenues to the national government. Table 16 shows federal income from indirect taxes, which were by far the largest proportion of revenue producers.

TABLE 16
FEDERAL REVENUE FROM INDIRECT TAXES, 1893-1910\*

Year	Imports	Exports	Mining	Industry	Other
1893	15,621,504	1,037,111	806,987	1,560,467	8,853,116
1894	18,278,212	1,227,861	893,863	2,488,130	8,794,248
1895	22,248,754	1,078,862	3,274,945	2,684,925	8,729,002
1896	21,935,030	1,244,083	3,340,987	3,265,828	9,235,520
1897	21,403,602	1,414,939	3,776,744	3,510,116	10,123,105
1898	26,975,341	1,066,769	3,704,536	3,816,748	11,075,095
1899	28,247,947	872,992	3,676,899	4,140,380	12,027,235
1900	26,775,453	779,819	3,878,090	4,029,583	11,768,581
1901	26,914,300	863,856	3,902,276	2,046,600	12,965,091
1902	32,857,313	845,205	4,723,803	4,537,136	13,523,606
1903	35,332,450	965,561	4,953,063	6,223,318	15,832,235
1904	38,218,806	917,304	4,949,620	6,440,142	16,099,393
1905	46,117,080	946,503	2,904,068	6,321,025	18,333,947
1906	52,351,568	1,054,856	2,629,528	6,267,972	19,600,441
1907	52,504,175	859,456	2,995,752	6,128,173	19,840,950
1908	38,104,970	515,299	2,686,659	5,691,628	18,963,037
1909	46,810,449	501,363	2,577,912	6,094,070	19,672,420
1910	48,902,834	466,549	2,532,057	6,146,949	19,785,095

SOURCE: Colegio de México, <u>Estadísticas económicas del</u> <u>Porfiriato: fuerza de trabajo y actividad económica por sectores</u>, (México, D.F., n.d.).

\*Revenue in Pesos

The exploited condition of Mexican workers in the export sector of the economy was noted by two North American journalists, Trumbull White and William E. Curtis, who visited Mexico in 1897. They reported that profits from export

production were not equitably shared: "The laborer has received none of it. It has made the rich richer and the poor poorer by comparison, for there are only those two classes in Mexico, and the gulf that divides them is becoming wider every day." 14

Similarly, the commitment of resources for export denied the Mexican people access to those same resources. The export orientation of capitalist agricultural production resulted in less food for home consumption. Figure 7 shows the diversion of agricultural production to the export sector.

Economist W. Arthur has demonstrated that "technological progress in the export sector of underdeveloped countries helps only the workers of advanced countries." In the case of Mexico, the United States economy was dominant and gained appreciably more with Mexico's development than did the dependent Mexican economy. As in the mining industry, which was 98 percent foreign owned, the profits of export production, like the raw materials, were shipped overseas. 16 Figure 8 shows the relationship between the United States dollar and the Mexican peso during the more than three decades of Porfirian developmentalism.

Neither could Mexico depend upon regular returns from the production for export of raw and staple materials. A dramatic example of Mexico's vulnerability was the cutback in foreign silver purchases after 1902. World conditions

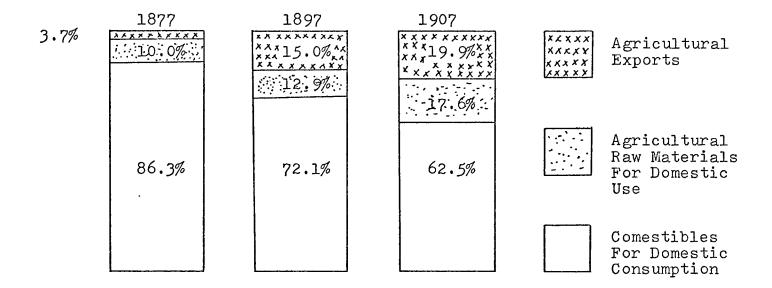


Fig. 7. Allocation of Agricultural Production for Selected Years.\*

SOURCE: Colegio de México, <u>Estadísticas económicas del Porfiriato</u>: <u>fuerza de trabajo y actividad económica por sectores</u>, (Mexico, D.F., n.d.).

<sup>\*</sup>Shown as a percentage of the total value of agricultural production.

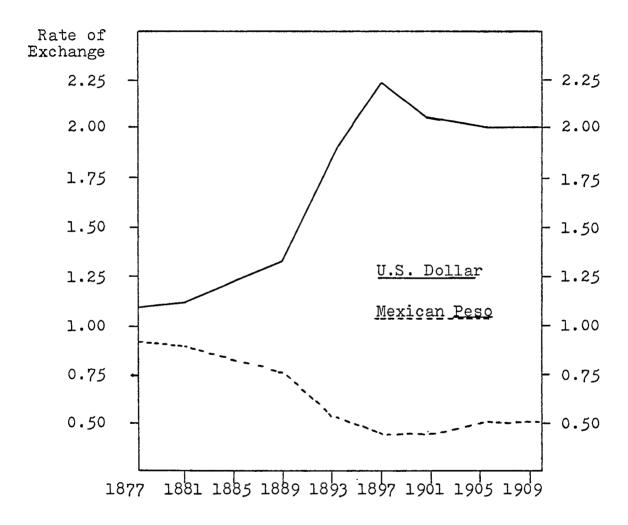


Fig. 8. The Peso and the Dollar, 1877-1910

SOURCE: Colegio de México, <u>Estadísticas económicas</u> del <u>Porfiriato</u>: <u>comercio exterior de México</u>: <u>1877-1911</u>, (Mexico, D.F., 1960).

dramatically affected the Mexican economy, as a United States trade report on conditions there in 1908 suggested: "...Mexico found herself affected...by the financial depression and general industrial stagnation experienced by the commercial and industrial world at large...Conditions abroad reduced the demand for Mexican products and therefore the purchasing power of the nation." Accordingly, Mexico experienced boom or bust not in response to her own economic cycles, but in reaction to those of the dominant foreign economies.

Porfirian encouragement to foreign investment in the internal market aggravated Mexico's export dependency. After 1902, as Mexico garnered ever decreasing returns from her raw material production, the need to reduce costly imports and to secure foreign financing became imperative. While successfully substituting such consumer goods as textiles, the deleterious results of that effort to industrialize included an ever increasing reliance on foreign purchases and investments to finance industrial development. Exports could not entirely pay the cost of industrialization and foreign financing was required. That capital entered Mexico largely in the form of machinery and industrial processes and few input purchases were made in the internal market. At the same time, the foreign capitalists extracted from the Porfirian regime such privileges as tariff protection and exemption from taxation. 18 The economic structure resulting from foreign

investment in Mexico's internal market resembled that described by Dos Santos as characterizing "technological-industrial" dependency. That structure included a serious maldistribution of income, underutilization of markets, high profit margins, and capital intensive operations in a labor surplus market. 19 The resultant infrastructure, which severely limited domestic buying power and was foreign oriented, restricted expansion of Mexico's internal market. Declining real wages, brought about by the exploitation of workers, checked their purchasing power. Mechanization in a labor surplus market meant fewer jobs, lower wages, and decreased job security. Since foreign capital controlled the majority of Mexico's industrial corporations, the remittance of those profits to foreign investors drained away the wealth generated by industrialization and meant that further industrial expansion would necessarily be financed by "foreign" investment. 20 Figure 9 shows the failure of the manufacturing sector to expand as rapidly as mining, which was part of the export sector.

What success the Porfirian regime did enjoy in its industrialization effort was reflected in a percentage decline in the import of consumer goods. Correspondingly, imports of primary materials and capital goods destined for Mexican industry increased. Unfortunately for Mexico, import substitution was not necessarily the same as development. As

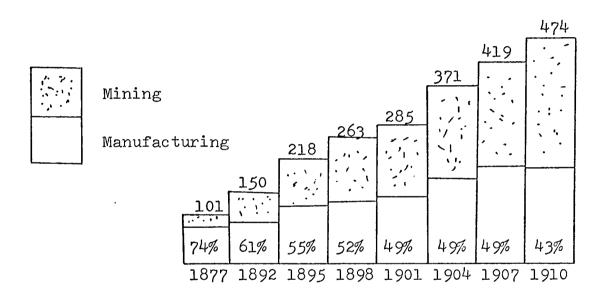


Fig. 9. Aggregate Values for Mining and Manufacturing Production (In Millions of <u>Pesos</u> of 1900).

SOURCE: Colegio de México, <u>Estadísticas del Porfiriato</u>: <u>fuerza del trabajo y actividad económica por sectores</u>, (México, D.F., n.d.).

economist Charles P. Kindleberger has suggested, import substitution "may even waste foreign exchange by stimulating imports of components."22

While Mexico's artisan industries had required few inputs, the consumer industries which replaced them required extensive expenditures for inputs that had to be purchased abroad. Chapter One of this study demonstrates that the growth of consumer industries in Mexico whetted apetites for manufactured products. In turn, the increased consumption of domestic manufactures required additional input from the developed economies of the United States and Western Europe. 23 The net result for Mexico was an ever increasing dependence upon imports, not the hoped for economic independence which import substitution in theory had offered. Figure 10 shows the decline in imports of manufactured textiles. Figure 11 shows the increased per capita imports.

Labor saving mechanization in capital-intensive industrial enterprises was not advantageous in a labor surplus Mexico. On the contrary, increasing industrialization meant in many instances fewer employment opportunities. The productive output of factory workers made artisan enterprise impossible, yet Mexico's internal market could not expand rapidly enough to provide industrial job openings for all the displaced artisans. Much less could the economy absorb those pushed from the land by Porfirian agricultural policies

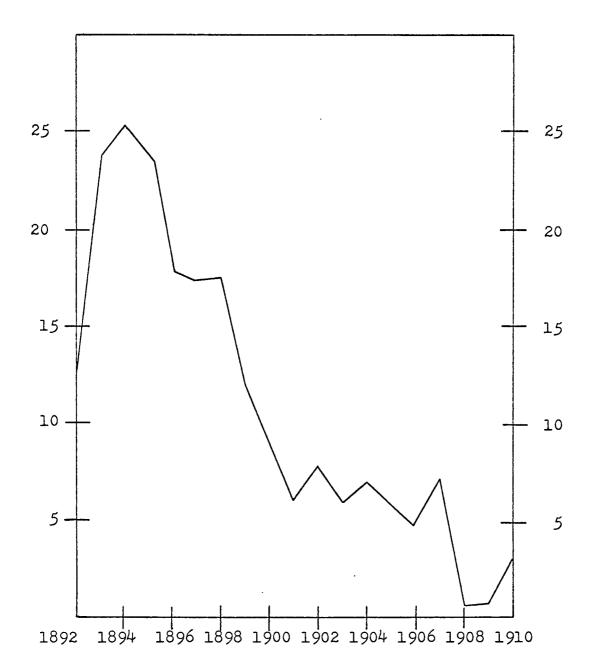


Fig. 10. Textiles as a Percentage of Gross National Imports, 1892-1910.

SOURCE: Colegio de México, <u>Estadísticas económicas</u> del <u>Porfiriato</u>: <u>comercio exterior de México</u>, <u>1877-1910</u>, (México, D.F., 1960).

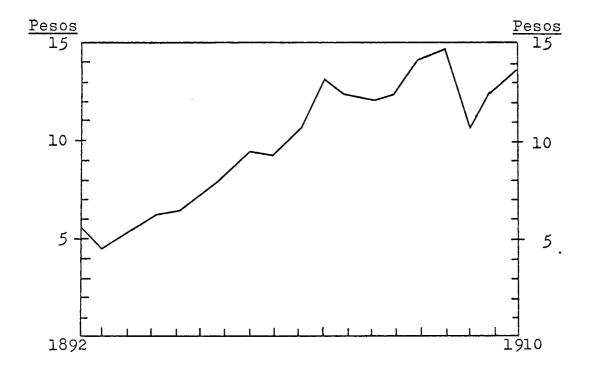


Fig. 11. Per Capita Imports, 1892-1910.

SOURCE: Colegio de México, <u>Estadísticas económicas</u> del <u>Porfiriato</u>: <u>fuerza de trabajo y actividad económica por sectores</u>, (México, D.F., n.d.).

or keep pace with population increases. Table 17 shows the displacement of artisans by factory workers in the textile industry with the resulting net loss in employment.

TABLE 17
MECHANIZATION OF THE TEXTILE INDUSTRY

Year	Artisans	Factory Workers	Total	Net
1895	41,000	19,000	60,000	
1900	26,000	26,000	52,000	-8,000
1910	8,000	32,000	40,000	-12,000

SOURCE: Fernando Rosenzweig, "El desarrollo económico de México de 1877 a 1911," <u>Trimestre Económico</u>, XXXVII (July-September, 1956), 444.

If the mechanization which accompanied foreign investment in industry riled labor, those feeling paled in comparison with the bitterness generated by the operations and practices of the large foreign owned industrial concerns. Many, including labor moderates, believed foreign monopolies and trusts, especially those of the United States, to be behind the economic crisis. Through such outlets as Convención Radical labor moderates castigated monopolies not only for the speculation which led to price increases, but also for a general deterioration in the quality of life. Complaints

in 1900 about a "bread monopoly" in Mexico City were illustrative of their feelings. Before the appearance of "new monopolies," Convención Radical reminisced, "...bread enjoyed great prestige...the elaboration...was carefully done so that the fruit was excellent, as much in weight as in flavor...

Then came the monopoly, and it produced the results we positively feel today." The monopoly, the newspaper charged, "...introduced into the making of bread, chemical ingredients, noxious to health, in order to secure greater profits." Nor was that the worst result the complaint alleged, for other bakers responded to the competition by reducing quality and instituting pay reductions. 26

The behaviour of foreign industrial corporations brought increased labor unrest, even among labor moderates. Their discontent was manifested in angry editorials in the usually complacent, moderate working class press. Convención Radical blamed the rise in the cost of living on trusts that controlled the production and distribution of corn, bread, meat, sugar, and tobacco. According to its editorials, economic agony was the work of "the insatiable vampire, sucking the blood of the poor people." It charged: "...profiteers of public misery monopolize...[necessities]...in order to market them at fabulous prices." In addition, the working class newspaper condemned what it called "abuses under the pretext of the fall of silver." Besides raising

prices under that "pretext," the newspaper alleged that some importers engaged in other questionable practices such as doubling or tripling prices on non-imported necessities such as grain in response to increased taxes on imported luxury items. In another instance, the newspaper charged that, when the government allowed free import of petroleum to keep prices low, the "...Morgan trust, king of petroleum... decreed double prices."

Mexico's textile industry showed the symptoms associated with an imbalanced development evolving from an overemphasis upon foreign investment in domestic industry. By 1900 that industry had begun to stagnate. Trade reports prepared that year by consular officials of the United States noted: "...the steadily increasing supply threatens to exceed the home demand."30 Porfirian efforts to find overseas markets for the surplus failed, but an underdeveloped internal market due to low wages and monopoly capitalism, not oversupply, was the problem. Secure behind a high protective tariff wall, the predominantly foreign owned textile industry preferred high prices in a restricted market more than lower profit margins in a larger market. 40 While the textile industry succeeded in capturing the market once served by artisans, the economic infrastructure erected by Porfirian developmentalism prevented expansion of Mexico's internal market. Declining real wages and rising food costs after 1898 further

reduced the purchasing power of the working class. The process left Mexico's modern mechanized textile mills with an insufficient market for their installed capacity. 31

In an intriguing series of articles published late in 1902, Convención Radical explored Mexico's difficulty in light of patent North American prosperity. There, the moderates presented a condensed model of dependency: "Mexico, so close to the colossus, necessarily has to be the one that soonest and most directly suffers the consequences... [the process converts all Mexicans into tributaries of our neighbors."32 In a rare show of defiance, the voice of moderate labor, Convención Radical, challenged a November 20, 1902 article in El Imparcial, which was despite its name the semiofficial organ of the national government. The author of that article had suggested workers did not need pay increases since they would only spend them on vices. Displaying symptoms of the sullen discontentment which gripped all portions of the labor movement, the moderate workers' newspaper published three days later a letter, signed "Various Workers." It warned darkly: "Do not forget...the quorum which the working class has...."33 Moderates lamented: "That our neighbors are extorting us, that is not strange. But that our compatriots with equal despotism put shackles on the nations's progress, condemning to hunger los hijos de trabajo... [that] simply is antipatriotic." Just because, the now

disaffected moderates complained, the United States was exploiting Mexico, "...the owners of the shops, factories, and other industries [wish to] put into practice the advice of <u>El Imparcial...</u>"34

To be sure, moderates prefaced such criticism with declarations of confidence in the Porfirian vision and reaffirmed their faith in the national leadership, but their confidence in Porfirian developmentalism was visibly shaken. Moderates called for "energetic" government action, including "...even making an example of whichever of those infamous speculators."35 Ominously, they suggested that the misbehaviour of "...the everlasting vampires of the people... who call themselves merchants, manufacturers, or industrialists..." constituted "revolutionary factors" [author's emphasis 7.36 Moderates warned that wages <u>must</u> rise: "...the reduction of salaries...produces a social disequilibrium that in the long run can be of dismal consequences to the nation..."37 Moderates advised that only pay raises, and never legislation, could check a growing anarchist threat. 38 They called on Porfirian economists to focus all their attentions on the plight of workers and to solve the wage problem, so as to "...build a dyke, as much for the benefit of labor as for the speculators of the same."39 As an example of what they had in mind, they recommended establishment of "technical commissions" in shops which provided goods and

"study conscientiously" the actual value of labor and to compel the owners to pay workers so that wages would achieve a "suitable equilibrium" with capital. In this way, it was theorized, the rise of wages would "counteract" rises in the cost of living. Moderates cautioned that if <u>something</u> were not done, "...the workers, far from advancing, would continue suffering the consequences of misery, those that will compel him to the precipice."

The inability of the Diaz regime to halt the economic crisis which so strongly affected urban workers cost labor moderates their credibility. Under generally improving conditions in the first two decades of Porfirian rule, 1876 to 1898, urban workers had adapted a "wait and see" attitude. As late as 1897, Congreso Obrero complained of difficulty in organizing labor, due to "...all the favorable aspects for our working class."

After 1898, economic stringencies denied the "favorable aspects" which had spelled moderate hegemony in the labor movement. That economic downturn and the loss of confidence it generated, combined with an aging moderate leadership, brought the eclipse of moderate positions.

Old age had overtaken many of the established moderates by 1900. Mortality caught up with others. Juan Cano, the "untiring evolutionary," was laid to rest in 1900 in a government subsidized plot in the <u>Panteon de Dolores</u>. 42 Similarly,

Pedro Ordóñez and the whole generation of labor leaders who were active from the 1870's faded from the scene in the early years of the twentieth century. Moderate labor organizations such as the <u>Convención Radical Obrera</u> and the <u>Congreso Obrero</u> vanished with them. Unknown was the fate of younger moderates such as Juan Serrano y Dominguez, who was a major contributor to <u>Convención Radical</u> in its last years and who authored its investigation and condemnation of the economic crisis. <u>Convención Radical</u>, so long the voice of moderate labor, fell silent after 1902. New moderates would emerge in the last decade of the <u>Porfiriato</u>, 1902 to 1911, but their position would be untanable in the hostile economic environment.

Sociologist Neil J. Smelser's investigations of collective behaviour provide useful analytical tools for understanding the manner in which radical labor reasserted itself in the face of economic crisis. Smelser explains: "Beliefs that are potentially revolutionary may exist temporally long before strain arises to activate these beliefs...revolutionary organizations may lie in wait for conditions of conduciveness and strain..."

In the case of Mexico, those "beliefs" were anarchist and socialist ideologies first introduced in the 1860's. That "organization" included a radical tradition in the Mexican labor movement, as well as those labor radicals who had surrendered neither to persecution nor blandishment. The "strain" was the economic crisis which so affected

Mexico's working class. The rank-and-file of Mexican labor followed a pattern resembling that of the nineteenth century labor movement in the United States. There labor agitation "...centered on economic or trade union activity during prosperity only to change abruptly to 'panaceas' and politics with the descent of depression." Economic crisis in the last decade of Porfirian Mexico made radical labor relevant to urban workers trapped in an impossible situation. Labor radicalism blossomed as the economic status of workers deteriorated in the early years of the twentieth century. After two decades of near dormancy, labor radicals reasserted themselves with such vigor that El Imparcial in 1906 complained they had captured the labor movement, "...twisting it to fit their own needs." 45

The bloody strike at Cananea in June of 1906 announced the revival of labor radicalism. The deepening economic crisis nationwide encouraged the growth of militant labor organizations in the textile industry and general labor unrest. Those factors, combined with the growing success of the revolutionary Partido Liberal Mexicano (PLM) among disgruntled workers, caused the concern expressed by the government in El Imparcial in 1906. Confronted by undeniable radical gains in the labor movement, the Díaz administration attempted to assess the degree of radical penetration. At the same time, the national government began a subtle effort to ease some of

the economic pressure on workers. 46 Belatedly, the Díaz regime had begun implementing a strategy which had contained labor so effectively in the first two decades of Porfirian rule. Radical leadership, once identified, would be removed through persecution and replaced by moderates who would be reinforced with no little encouragement and assistance from the national government.

In the midst of a deepening economic crisis, radicalism announced its presence in the giant foreign owned textile mills of Orizaba and its surrounding cantons with organization of the Gran Circulo de Obreros Libres (GCOL) in the Spring of 1906. The GCOL, an embodiment of the radical resurgence, manifested labor's return to the principles so loudly touted by the radicals of the 1870's. The GCOL's program for dealing with the economic problems facing labor was simple and unequivocable: "In case of difficulty with the firms we will use the strike, if the strike does not accomplish anything we will resort to dynamite or revolution."47 Confrontation with the management of the Compania Industrial de Orizaba, S.A. (CIDOSA) and publication of the GCOL's newspaper, named appropriately enough, La Revolución Social, soon brought the radical organization to the attention of political authorities.

GCOL first made itself visible when it negotiated a wildcat strike with CIDOSA management and secured the reprimand

Lorenzo factory in May of 1906. The appearance of the first issue of Revolucion Social on June 3, 1906 made the GCOL's radical constituency obvious. The newspaper condemned capitalism and the Diaz and called on workers to use violence if necessary "to obtain our golden dream." Radicals made it clear why they were challenging the Mexico of Porfirio Diaz:

It is because nobody is doing anything about the exploitation of the workers by the bourgeoisie... We have resolved to throw off forever our habitual indifference...the Mexican worker exists in such a low state of misery...because, not withstanding that we work fifteen and seventeen hours daily...we receive a wage so miserable that others would be ashamed to receive it in exchange for such work.

Certainly the radicals were anxious at what must be the end result of Porfirian developmentalism: "...we, the workers must act now, because soon we are going to see our race disappear...It is preferable that again we wash our native land with blood...before we will consent to the disappearance of the name Mexico from the map of the world." 50

With the circulation of a second edition of Revolución Social on June 10, 1906, authorities ordered the arrest of its editors and most of the GCOL leadership. Some were imprisoned, some escaped, and some of the leaders were simply fired from their jobs at the request of political authorities. With the radical leadership dispersed, moderates moved in to

take control of the organization. José Morales, a foreman at CIDOSA's Río Blanco factory, quit his job to assume the presidency of the GCOL. Local, state, and federal officials helped the moderate take charge. Carlos Herrera, the local jefe político, pledged his support of a moderate GCOL. Teodoro A. Dehesa, the governor of Veracruz and a close associate of Diaz, recognized, with the approval of the federal government, the GCOL in return for its pledge to support the government. To bolster moderate control and Morales' presidency, officials lent support to the moderate Morales. The federal government reinforced Morales' prestige in the summer of 1906 when it responded to complaints and removed the chief of the rurales in Orizaba, who had allegedly abused workers. When voted out of office in November of 1906 by workers who were dissatisfied with his leadership, Morales followed the lead of the jefe politico who advised him that he remained the officially recognized president of the GCOL. Political authorities steadfastly refused to recognize the election of another president. Undaunted and encouraged by worker unrest, the radicals continued to challenge moderate control. Rosa chapter of the GCOL remained a radical stronghold. Led by Samuel A. Ramirez, who was in contact with the PLM, workers at Santa Rosa had spearheaded efforts to defeat Morales. the critical days of early December 1906 Morales regained control, but the GCOL remained divided along moderate and

radical lines. Both Ramirez and Morales claimed to lead the GCOL and both factions published their own editions of the GCOL newspaper, La Unión Obrera. 51

Confronting the rising unrest, the Porfirian regime acted at the national level to strengthen moderate positions. Both Díaz and his Minister of Education, Justo Sierra, reaffirmed labor's right to strike peacefully. That represented no departure from established labor policy, but was a de jure recognition of de facto practice. At the insistence of the Porfirian regime, the national press began to notice the problems of Mexico's working class. That coverage echoed the tack taken by El Imparcial, which editorialized in July of 1906: "The [labor] problem can only be remedied by peaceful and harmonious evolution, and never by revolutionary violence." The national press also began publicizing the organization efforts of the GCOL. 56

The moderate GCOL found such a climate invigorating, and through expansion in the summer of 1906 added affiliates from textile mills throughout Central Mexico. With organization came increasing strikes, especially after October of 1906.<sup>57</sup> Radicals and moderates both participated in the effort. El Imparcial in October of 1906 attributed strikes at Tizapan and at Santa Rosa to the work of a group its called the "socialists of the league." At the same time

moderates were actively organizing workers in Puebla and Tlaxcala in preparation for a confrontation with factory owners there.

Mexico's textile factory owners were not idle either. The economic situation and the tempo of labor organizing alarmed many. While the regime foresaw the prospect of defusing labor radicalism, short-sighted industrialists saw only lowered dividends for their stockholders. Some, especially foreign capitalists, were not inclined to tolerate any level of labor organization or to make any concessions, even to moderates of the sort the regime had so successfully cultivated in the past. To secure solidarity in the face of visible labor unrest, the textile owners decided to take matters into their own hands and so founded the Centro Industrial Mexicana (CIM) in October of 1906. Organization was a simple matter since owners had always cooperated to maintain high prices. In addition, the ownership of many of the textile enterprises overlapped. In November of 1906 the CIM issued new regulations for textile plants in the Puebla area which were intended to halt increasing labor agitation there. 59

Early in December of 1906, nearly seven thousand workers walked off their jobs in Puebla and Tlaxcala to protest those regulations. Offensive portions included provisions for longer work hours, fines for broken tools, the exclusion of visitors in the company-owned housing where the workers

resided, and the censoring of workers' reading material. The latter regulations were aimed at preventing worker contact not only with labor organizers, but with their ideas as well. While workers cited the new regulations as the reason for the strike, a major issue was, as <u>El Imparcial</u> reported, wages. 60

The GCOL organizers who had called the strike, and the workers who supported them, gathered in local theaters in Puebla on several occasions in early December to draft work regulations of their own. Their regulations proposed workers not be fined for broken tools, guaranteed workers the right to read newspapers, called for union representation in the factories, abolished company stores, provided compensation for disabled workers, and asked for pay increases. Significantly, El Imparcial labelled the workers' proposals as "reasonable on all points." 61

Prematurely drawn into the Puebla strike, the GCOL responded with a piecemeal strategy aimed at striking one portion of the textile industry at a time. That way unaffected workers could provided assistance to the strikers. With the onset of the strike in Puebla, GCOL chapters across the nation began sending whatever aid they could. Some, like the GCOL chapters in Orizaba, increased membership dues to obtain additional funds for Pueblan strikers. In addition, the GCOL counted on some support from the public. Sympathetic

hacendados donated large amounts of food to the strikers.

In the meantime, Pueblan workers were encouraged to seek employment in textile mills in Guadalajara and elsewhere to lessen the drain on GCOL resources.

To keep spirits high and defections low, the GCOL promoted giant rallies attended by thousands of workers. There they were seranaded by bands and harangued by speakers. Radicals were not absent, as testified loudly cheered speeches which predicted a new revolution, "that of the class struggle." But moderates generally ran the show, as the appearance of José Morales in Puebla demonstrated. He was present in mid-December as four thousand workers at the Teatro Guerrero listened to the text of a telegram drafted by the GCOL leadership which requested that President Diaz arbitrate the strike. Even as they awaited a reply, the strikers position in Puebla was strengthened with the arrival of large supplies of foodstuffs, some donated and some purchased from commercial sources by the GCOL. By the time Diaz had replied affirmatively to the request for arbitration, it was apparent. that the Pueblan strikers could not soon be forced back to work for lack of resources. 63

Representatives from both the GCOL and the CIM met in Mexico City on December 21 to discuss the proposed arbitration. The Puebla strike seemed over. Then, unexpectedly, the CIM announced the next day it did not wish presidential

arbitration. Instead, the CIM had decided to seize the offensive and met on December 22 to arrange a national lockout effective December 24. That decision shutdown almost the entire industry, with the mills of Central Mexico as far south as Oaxaca and as far north as Guadalajara affected.

Their action effectively circumvented the GCOL's strategy. 64

A spokesman made clear the CIM's intentions: "If this [the CIM]...succeeds we can be sure that the strike is dead in Mexico...and...we will not have any trouble with our workers... now is the time to choke these movements, at their beginning...." In a thinly veiled threat to Porfirian developmentalism, the CIM warned "...if the workers do not cease their activities...we will retire from industry...[and leave Mexico]."65

The national press headlined the story of "22,000 Out Of Work, 88,000 Without Bread." The voice of the national government, El Imparcial, was clearly stunned. As the newspaper noted, the workers were bound to lose since they had no income, while "...almost all the factories are controlled by corporations whose stockholders are rich and who do not suffer much from the suspension of work." El Imparcial added that so far the workers had remained calm and that the workers believed Díaz would come to their defense. At the same time, the newspaper reported the movement of troops toward Orizaba. 66

El Imparcial reported on December 26 that industrialists were considering ending their "strike" on the condition that "the workers did not believe they had humiliated them [the owners]...because they wanted to preserve the distance between superior and subordinate." The next day, a GCOL delegation led by Morales met with Díaz. Interviewed by El Imparcial, a spokesman for the GCOL said their demands included a pay increase, prohibition of fines and discounts, recognition of worker "rights" including visitors in one's home without prior approval of management, and provisions insuring that workers would not have to pay for worn or broken tools. All other demands were secondary to a wage increase. In language reminescent of Convención Radical's appeals in the years immediately before, the GCOL spokesman asked:

With all the progress in the country, why has not the worker also progressed? If because of this progress everything rises in value, housing, food, clothing, etc., and if the same progress benefits the factories and increases their profits, why are not the salaries of those who contribute the most also increased...?68

CIM representatives met on December 27 to reconsider presidential arbitration of the matter, but not until December 31 did they agree to allow Diaz to mediate. Even then, their maneuvers suggested that they had submitted preconditions. On December 31, the GCOL membership formally agreed to unconditional arbitration, after reassurance from moderates that Diaz would come to their defense. Some workers

had already become restless. Earlier, on December 28, workers at Santa Rosa had attempted to force the factory there to reopen. Others had begun calling on Díaz to nationalize the textile industry. 69

Late on the morning of Friday, January 4, 1907, Díaz read his decision to the expectant GCOL representatives gathered in the National Palace. The president announced that work would resume in the textile factories on Monday, January 7, 1907. While the press reported the labor delegates "could hardly conceal their joy," Diaz's arbitration award, the laudo, left the moderates empty-handed and embarrassed. The laudo represented a tactical retreat for Porfirian labor policy, an unwise commitment to contain labor from without in concert with the foreign-dominated management of Mexico's corporate establishment. Article 3 of the "award" obligated workers to carry little books, or librettas, in which management would note their "conduct, industry, and efficiency." Since workers would be required to present the libretta before they could be employed, the CIM could exclude labor "agitators." Institution of Article 3 would by itself make labor organization nearly impossible. Article 1 prescribed rigid censorship of workers' reading material to prevent publication of "subversive doctrines." Articles 5 and 9 prohibited workers from striking without fifteen days notice, allowing management time to make preparations.

"concessions" to workers amounted to even less than Pueblan workers had won in principle as far back as 1884. They did not eliminate fines, and workers could be charged for tools broken through "negligence." Management would decide what constituted negligence. Article 7 outlawed child labor under seven years of age, although that practice was already illegal under the public education law. Diaz's arbitration made no mention of company stores or payment in company script, two practices which robbed workers of their purchasing power and which were illegal under federal law. 70

Why such a decision? Clearly it cost the Díaz regime a labor policy built in part on a malleable, moderate alternative. The wishes of the foreign capitalists sharply proscribed Díaz's freedom of action. Surprised by the lockout, Díaz had succumbed to their pressure. Furthermore, Díaz remained a prisoner of the deeping economic crisis and of the defective economic theories which had guided his development program. As Díaz reiterated in 1906, he believed the interests of capital had priority over the needs of labor:

"...profits must be guaranteed to foreign capitalists in order to sustain national progress..and...the development of national resources."

"The wishes of the foreign capitalists in order to sustain national progress..and...the development of national resources."

"The wishes of the foreign capitalists in order to sustain national progress..and...the development of national resources."

The constituency of Diaz's administration was also a contributing factor in his decision. José I. Limantour, the Secretary of the Treasury, whom Diaz relied heavily upon for economic advice, had extensive ties to French capital. French capital dominated the textile industry. 72 In that context, it was unlikely that Diaz would move against the foreign controlled textile industry. That contingency prevented Diaz from offering the compromises that were vital to the success of labor moderates. Besides reshaping the Mexican economy, the development process built upon foreign investment in the Mexican economy inexorably compromised the independence and integrity of the national government. inent members of the Diaz administration became deeply involved with foreign corporations. Appendix A shows the association of key economic advisors with foreign owned corporations doing business in Mexico.

It was left to moderates to tell the workers what they had accepted. The national press did not specify the specifics of the decision until January 7, 1907. Meeting were held by the GCOL on January 6 to announce the terms of the arbitration decision. Some workers were clearly dissatisfied with the <a href="mailto:laudo">laudo</a>, as their angry outcries during the meetings on January 6 suggested. <a href="mailto:El Imparcial">El Imparcial</a> reported announcement of the decision brought protest from those "who like disorder and who want the strike to continue." The newspaper

revealed that in the confusion which followed, police jailed a worker who was "incorrect." Angry workers in Atlixco gathered outside the home of the local jefe politico, who diplomatically agreed to postpone implementation of the accord. Not surprisingly, the most violent protests came from Orizaba. Disgruntled workers caused Morales to flee for his life. Some workers accused Morales of selling out. Others led chants calling for the overthrow of the regime. Leading the outraged were the President and Vice-President of the Santa Rosa GCOL chapter, Rafael Moreno and Manuel Juárez, partisans of Samuel Ramirez. For all of the "disorder" of January 6, the greatest protest was yet to come.

Worker revulsion with the <u>laudo</u> set off an explosion of violence which shook the regime to its very foundation. The events of the next day, and those which immediately followed, became popularly known as "<u>la huelga de Río Blanco</u>"-- the strike of Río Blanco. That was a misnomer since the workers at Orizaba had not been on strike, they had been locked out by the CIM.

On the morning of January 7, an angry crowd of workers gathered outside the giant CIDOSA factory of Río Blanco on the outskirts of Orizaba. Part of the crowd began shouting and throwing stones at the factory. The disturbance focused around the company store—an institution which symbolized not only the hated "factory" which denied them fair wages, but

also the "speculator" responsible for the rising cost of living. Aroused, the workers sacked and burned the store, and the canton of Río Blanco exploded into revolutionary violence. Workers were shot as they attempted to fire the factory. Others freed prisoners from the town jail, seized the railway station and telegraph office, and cut electric lines. Caught up in the emotional contagion, the <u>rurales</u> stationed in Río Blanco to put down such disturbance refused to fire on the workers. 76

Troops began arriving in Río Blanco the same morning. Soldiers killed seventeen workers and wounded eighty in an initial encounter. Retreating to nearby Santa Rosa and Nogales, workers sacked and burned the company stores there. They returned to Río Blanco that afternoon to burn down Morales' house, an indication of worker antipathy toward moderates at that stage of the struggle. 77

Disorder continued into the night. Factory owners and their families fled into Orizaba for safety. Workers armed with guns looted from stores occupied railway stations outside Orizaba. Rumors circulated of plans to blow up the hydro-electric installation above Orizaba. Troops were rushed to the <u>San Lorenzo</u> factory to protect it from an anticipated armed assault by workers. 78

The revolution of "class struggle" had erupted in Rio Blanco, but factory workers there were no match for the

armed forces of the Porfirian regime. The following day 800 soldiers, 60 <u>rurales</u>, and 150 police began restoring order. Troops captured and publicly executed many workers, including the radicals, Moreno and Juárez. Many more were gunned down as they tried to flee. By January 11, the armed forces of the Díaz regime were unquestionably in control and the outbreak quashed. 79

The gesture cost workers dearly. More than two hundred were killed, twice that number were imprisoned, and many more were wounded. 80 Yet in a sense, Río Blanco cost the Porfirian regime even more. Six hundred soldiers and two hundred <u>rurales</u> remined at Orizaba to ensure that workers there would not again revolt. But, due in no small part to the success of Porfirian developmentalism, factories were located all over the Republic and the economic crisis was national in scope. Who would watch over those workers?

Not a strike, the events of January 7, 1907 were a revolutionary repudiation by an estranged working class of the Diaz regime, its sponsorship of industrial capitalism, and of those labor moderates who might support either. While the particulars of those violent days remain disputed, the meaning of that turbulence is clear--a workers' rebellion had occurred and Porfirian efforts to contain the working class had failed.<sup>82</sup>

## EPILOGUE

In 1911 the Diaz regime was undone by the myriad of social problems spawned by the development effort. Unable to contain the social contradictions it created, the Porfirian regime perished. Yet its legacy could not be denied, for the development process had irrevocably reshaped Mexico. Those who replaced Diaz committed themselves to modes of economic development remarkably consistent with the program of the ancien régime. The infrastructure they inherited, and external forces of the sort which had so affected the Porfiriato, left few alternatives. In deference to those considerations and to established patterns of interaction with the labor movement, the new "revolutionary" elite engaged a labor policy which had evolved during the thirty-five years of the Porfiriato. In a manner reminiscent of Porfirian labor management, later regimes have attempted to shape, contain, and control the Mexican labor movement.

The most original contribution of those regimes in the area of labor policy was the institutionalization of the informal labor practices of the Diaz administration. Diaz's successors passed laws such as the comprehensive <u>Ley del Trabajo</u> and created labor bureaucracies such as the Department of Labor. The intent was the same; moderate leadership and organization were employed to contain labor and to channel

the movement away from radicals who might jeopardize the interests of a new national governing elite. Consistent with the most effective formulization of Porfirian labor politics, persuasion, rather than repression brought the best results. Violence has continued to be an integral part of that labor policy, however, as in the Mexico of Porfirio Díaz, it has been deployed more often against the radical vanguard than the rank-and-file.

The interim administration of Francisco Leon de la Barra began the post-Porfirian era of labor relations with creation of a department in the Ministry of Fomento to manage labor problems. The choice of Fomento was logical since that ministry had been involved in labor matters since the early days of the Porfirian regime. 1 Both De la Barra and the "revolutionary" Francisco Madero planned to use the department to handle strikes and "to guide labor along a less militant path."<sup>2</sup> In language straight out of the Porfirian era, the declared purpose of the Department of Labor was "to encourage harmonious relations between capital and labor."3 The department provided an institutionalized medium for arbitration of labor disputes, a matter which Diaz had usually delegated to a melange of federal, state, and local officials, and to captive labor organizations such as the Convención Radical Obrera and the Congreso Obrero.4 In all cases the purpose of arbitration was to stop costly strikes.

The Madero administration encouraged moderate labor organizations such as the <u>Comité Central de Obreros</u> and used them to resolve industrial conflict, as Díaz had used moderates in the 1880's and 1890's. When strikes broke out, the Madero administration "dispatched members of the <u>Comité</u>... [they] invariably exhorted workers to curtail their militancy and to return to their jobs." The head of Madero's Department of Labor frankly stated: "The Department counted on the <u>Comité</u> to stop labor agitation." Similarly, industrialists and labor moderates in Veracruz organized a <u>Convención Obrera</u> to ward off "socialist agitators." The <u>Congreso Obrero</u> and the <u>Convención Radical Obrera</u> had performed similar functions for the Porfirian regime.

As in Porfirian Mexico, violence remained an essential component of labor policy. If moderates failed to keep order, Madero sanctioned the use of force, including troops, to squelch labor disturbances. Radical labor was persecuted. Francisco Madero's administration exiled foreign-born labor radicals and shutdown the radical press.

The regime of Victoriano Huerta, which replaced Madero, incorporated all of Madero's labor "reforms." Huerta expanded the Department of Labor, made plans to resurrect a <u>Congreso Obrero</u>, banned the anarcho-syndicalist <u>Casa del Obrero Mundial</u>, and deported its leadership. In a manner reminiscent of the way Diaz marshalled labor support in his bid for

reelection in 1888, Venustiano Carranza's "revolutionary" faction used labor support to consolidate its position in the political and military struggle against Villista and Zapatista forces. Afterwards, Carranza vigorously prosecuted the radical <u>Casa del Obrero Mundial</u> with the army and encouraged a subservient, moderate alternative, the <u>Confederación</u> Regional Obrera Mexicana (CROM). 11

Carranza's successor, Alvaro Obregon, identified himself as an ally of the workers, but when expedient abandoned their interests to political considerations. Like those before him, Obregon sacrificed labor to the demands of capitalist management. Independent radical labor organizations such as the <u>Confederación General de Trabajo</u> (CGT)were oppressed, while the obcdient CROM leadership carned lucrative rewards for their collaboration. Porfirian labor moderates and their organizations had reaped similar rewards for their services. 13

No better reminder of the continuity between prerevolutionary and post-revolutionary labor policy exists than the tendency of national government to entice and entrap labor radicals into moderate positions. The radical CGT surrendered its ideals in 1931 to assume the same function that the CROM had served in the 1920's. The radical labor leaders of one decade became the moderate compromisers of the next. 14 With arguments strikingly similar to those offered by the radicals of the 1870's who defected to the Diaz regime in the 1880's, former radical Antonio Diaz Soto y Gama declared in the late 1920's that socialism was inappropriate for Mexico because "...the proletariat lacks technical skills, moral integrity, and intelligence...[the worker] can never replace the capitalist." The structure of labor relations elaborated under the tutelage of Porfirio Diaz has continued and despite the pledges which workers had extracted from the post-Porfirian regimes, "a wide gulf separated labor theory from practice." 16

## NOTES TO CHAPTER I

lmessage to Congress, September 16, 1899 quoted in Bureau of American Republics, Monthly Bulletin, VII (October, 1899), 466. For the purposes of this study the Diaz administrations of 1876-1880 and 1884-1910 and the González administration of 1880-1884 will constitute the "Diaz regime." The Porfirian era covers the period 1876 to 1910.

Romero Flores Caballero, "Etapas de desarrollo industrial," Luis González, et al. (eds.), La economía mexicana en la epoca de Juárez (México, D.F., 1972), 108-110, 114; Luis Chavez Orozco, Historia económica y social de México (México, D.F., 1938), 70; Salvador Hernández, "Un ensayo sobre el imperialismo norteamericano en México," Carlos Sirvent, et al., Las clases dirigentes en México (México, D.F., 1973), 25.

Message to Congress, April 6, 1889 quoted in New York Times, April 16, 1889.

4Message to Congress, September 16, 1904 quoted in Manufactures Bureau, Commercial Relations (1904), I (Washington, 1905), 512; For a similar appraisal of the Díaz regime's capitalist orientation see Foreign Commerce Bureau, Commercial Relations (1895-1896), I (Washington, 1897), 406.

5Lauro Viadas, El problema de la pequeña propiedad; Informe presentado al señor Secretaria de Fomento (México, D.F., 1911) cited in James D. Cockcroft, André Gunter Frank, and Dale L. Johnson, Dependence and Underdevelopment (Garden City, New Jersey, 1972), 25.

Eugene P. Lyle Jr., "The American Influence in Mexico," World's Work, VI (September, 1903), 3857.

7American Republics Bureau, Monthly Bulletin, VII (October, 1899), 633; American Republics Bureau, Mexico, geographical sketch, natural resources, laws, economic condittions, actual development, prospects of future growth (Washington, 1905), 257.

New York <u>Times</u>, March 25, 1881; Similar sentiments expressed in "Railroads in Mexico," <u>Harpers New Monthly Magazine</u>, LXII (July, 1881), 276.

New York Times, March 11, 1883.

- 10 Foreign Commerce Bureau, Commercial Relations (1894-1895), I (Washington, 1896), 337.
- ll William H. Callcott, <u>Liberalism in Mexico</u>, <u>1857-1929</u> (Stanford, 1931), 162; Limantour quoted in Jesús Silva Herzog, <u>El pensamiento económico</u>, <u>social</u>, <u>y político de México</u>: <u>1810-1964</u> (México, D.F., 1967), 313; José Luis Ceceña, <u>México en la órbita imperial</u>: <u>las empresas transnacionales</u> (México, D.F., 1974), 77, 78.
- 12Foreign Commerce Bureau, Commercial Relations (1894-1895), 325, 326; Moisés Gonzalez Navarro, México: el capitalismo nacionalista (México, D.F., 1970), 87; See an account of a mass demonstration by foreign businessmen in support of Díaz in New York Times, February 25, 29, 1892; Pablo Macedo, La evolución mercantil; communicaciones y obras públicas; la hacienda pública: tres monografías que dan ídea de una parte de la evolución económica de México (México, 1905), 120, 234; The railroad did stabilize the regime in some respects. John H. Coatsworth, "The Impact of Railroads on the Economic Development of Mexico, 1877-1910," (Unpublished Ph. D. dissertation, University of Wisconsin, 1972), 55; Foreign capitalists had supreme confidence in Díaz, but the problem of his succession gave them no end of anxiety. Díaz's vow and North American fears of anti-foreign and anti-capitalist sentiment in Mexico are found in New York Times, July 22, 1906; New York Times, January 4, 1903.
- 13Statistics Bureau, <u>Commercial Relations</u> (1903), I (Washington, 1904), 112; Alfred P. Tischendorf, <u>Great Britain and Mexico in the Era of Porfirio Díaz</u> (Durham, 1961), 76, 144; New York <u>Times</u>, December 31, 1892; See translated text of law authorizing concessions in New York <u>Times</u>, June 20, 1893; American Republics Bureau, <u>Monthly Bulletin</u>, VII (October, 1899), 465, 466.
- luis Nicolau d'Olwer, et al., El Porfiriato; la vida económica, Daniel Cosio Villegas (ed.), Historia moderna de México (México, D.F., 1965) VII, 328.
- 15 Foreign Commerce Bureau, Consular Reports, LXII (February, 1900), 243.
  - 16 New York <u>Times</u>, November 10, 1901.
- 17 Esperanza Mining Company paid 160 percent dividends in 1906. Tischendorf, Great Britain, 90; Moctezuma Copper Company, a subsidiary of Phelps, Dodge, & Company, paid 153 percent dividends from 1902 to 1910. David M. Pletcher,

- "The Fall of Silver in Mexico and Its Effects on American Investments," <u>Journal of Economic History</u>, XVIII (March, 1958), 47, 49. See also Foreign Commerce Bureau, <u>Commercial Relations</u> (1902), I (Washington, 1903), 433, 438, 451, 468.
- 18 Chester Lloyd Jones, <u>Mexico</u> and <u>Its Reconstruction</u> (New York, 1921), 247.
- 19Foreign Commerce Bureau, <u>Commercial Relations</u> (1879) I (Washington, 1880), 409.
- 20 Manufactures Bureau, <u>Commercial Relations</u> (1906), (Washington, 1907), 82.
  - 21 Limantour quoted in Macedo, <u>Tres Monografías</u>, 451.
- 22Coatsworth, "Impact of Railroads," 58, 205; Macedo, Tres Monografías, 204, 205, 221; "Railroads in Mexico," Harpers New Monthly Magazine, 277.
- <sup>23</sup>Macedo, <u>Tres Monografías</u>, 234, 436; The Díaz regime believed railroads so crucial to development that it sought and achieved consolidation and ownership of most of Mexico's rail system by 1909. John H. McNeely, <u>The Railroads of Mexico</u>: A Study in Nationalization (El Paso, 1964), 51.
- The most complete account of railroad development during the Porfiriato is found in Nicolau d'Olwer, Vida económica, VII, 483-634; William Lewis Purcell, Frontier Mexico, 1875-1894; letters (San Antonio, 1968), 86, 125, 140, 141. Purcell's bitterness towards the railroad passed. He abandoned the import trade, entered mining, and thanks to the railroad made a fortune; Alejandra Moreno Toscano, "Cambios en los patrones de urbanización en México, 1810-1910," Historia Mexicana, XXII (October-December, 1972), 179-183; Charles P. Cumberland, Mexico: The Struggle for Modernity (New York, 1968), 221; Fernando Rosenzweig, "El desarrollo económico de México de 1877 a 1911," Trimestre Económico, XXXVII (July-September 1965), 413.
- David M. Pletcher, "The Development of Railroads in Sonora," Inter-American Economic Affairs, I (March, 1948), 35; Alejandra Moreno Toscano and Enrique Florescano, "El sector externo y la organización spacial y regional de México (1521-1910)," (Paper presented to IV Congreso Internacional de Estudios Sobre México, Santa Monica, California, October 17-21, 1973), 59, 60; Coatsworth, "Impact of Railroads," 153-157; Limantour and other contemporaries were aware of some of the deficiencies. Macedo, Tres Monografías, 208-222.

- The free trade zone along the border with the United which languished and developed no industries until free trade was abolished there offered ample evidence that protection was necessary. Manufactures Bureau, Commercial Relations (1906), 100; Macedo, Tres Monografías, 94, 96, 99, 103-105, 107, 435; Foreign Commerce Bureau, Commercial Relations (1894-1895), 336; Silva Herzog, Pensamiento, 304, Tischendorf, Great Britain, 133; Foreign Commerce Bureau, Commercial Relations (1895-1896), 411; Foreign Commerce Bureau, Concular Reports, LXIV (November, 1900), 301; Callcott, Liberalism, 164; Manufactures Bureau, Commercial Relations (1904), 520, 521; Statistics Bureau, Monthly Consular Reports, LXXV (June, 1904), 837; Manufactures Bureau, Monthly Consular and Trade Reports, No. 336 (September, 1908), 220.
- 27 New York Times, March 11, 1883; Callcott, Liberalism, 104; Tischendorf, Great Britain, 133; Matias Romero, a Minister of Fomento, argued the treaty would not impede development. The debate in Mexico City newspapers is reproduced in Matías Romero, Reciprocidad comercial entre México y Los Estados Unidos (México, 1890), Facsimile Edition (México, D.F., 1971).
- Jose I. Limantour, "Exposición de motivos del proyecto de lev sobre reforma monetaria," Macedo, Tres Monografías, 559; Enrique Florescano and María de Rosario Lanzagorta,
  "Política económica," Luis González, et al., La economía mexicana en el epoca de Juárez (México, D.F., 1972), 83; Macedo,
  Tres Monografías, 111-116, 118; Moreno Toscano, "Sector," 47,
  48.
- <sup>29</sup>"Some Recent Mexican Legislation," <u>Nation</u>, XLIV (January 6, 1887), 7.
- 30 Florescano, "Politica económica," 83; Moreno Toscano, "Sector," 47-49; John W. Foster, "The New Mexico," National Geographic Magazine, XIII (January, 1902), 19; Limantour, "Exposición," 559; Macedo, Tres Monografías, 119.
- 31 Foreign Commerce Bureau, <u>Consular Reports</u>, XII (May, 1884), 371, 372.
- 32 Foreign Commerce Bureau, Consular Reports, XV (January, 1885), 95.
  - 33 American Republics Bureau, Mexico, 245.
- 34 Foreign Commerce Bureau, <u>Commercial Relations</u> (1895-1896), 406.

- 35 Foreign Commerce Bureau, Consular Reports, XII (May, 1884), 371; Nicolau d'Olwer, Vida económica, VII, 351, 356.
- Foreign Commerce Bureau, Markets For Ready-Made Clothing in Latin America (Special Consular Reports), (Washington, 1900), 47.
- 37Foreign Commerce Bureau, <u>Consular Reports</u>, XVII (December, 1885), 253-258; Manufactures Bureau, <u>Report on Trade Conditions in Mexico</u>, (Special Agents Series No. 22), Washington, 1908), 18-20.
  - $^{38}$ Porfirian labor policy is detailed in chapter 2.
- 39 Manufactures Bureau, <u>Consular</u> <u>Reports</u>, (June, 1904), 763; New York <u>Times</u>, January 23, 1903.
- 40 Foreign Commerce Bureau, Commercial Relations (1896-1897), I (Washington, 1898), 473, 477; Limantour, Macedo, and Casasús fully appreciated the role of silver in Mexico's industrialization. Macedo, Tres Monografías, 107, 452; Silva Herzog, Pensamiento, 306; Limantour, "Exposición," 555, 556; Devaluation also meant that Mexico had to produce progressively more raw materials to purchase imported machinery to equip her developing industries. That consideration, and the instability and uncertainty which accompanied fluctuations in silver prices persuaded Mexico to adopt a gold standard after 1904. For a fuller explanation of motives, see Limantour, "Exposición," 552-593; New York Times, March 25, 1897; Manufactures Bureau, Commercial Relations (1904), 518; For an appreciation of industrial development in Mexico which preceded the Díaz era and which aided the relatively swift development of Porfirian Mexico see Luis González, et al., La económia mexicana en la epoca de Juárez (México, D.F., 1972).
- 41 John Wibel and Jesse de la Cruz, "Mexico," Richard M. Morse, et al., (eds.), <u>The Urban Development of Latin America</u>, 1750-1920 (Stanford, 1971), 100, 101; Rosenzweig, "Desarrollo económico," 418.
- A. Davies, "Tendencias demograficas urbanas durante el siglo XIX en México," Ensayos sobre el desarrollo urbano de México (México, D.F., 1974), 160; For a description of important industries located in Monterrey see Foreign Commerce Bureau, Commercial Relations (1900), I (Washington, 1901), 575; Statistics Bureau, Commercial Relations (1903), 147; Foreign

Commerce Bureau, Commercial Relations (1899), I (Washington, 1900), 431; Manufactures Bureau, Commercial Relations (1908), II (Washington, 1909), 157; Nicolau d'Olwer, Vida económica, VII, 396-399.

43 Nicolau d'Olwer, <u>Vida económica</u>, VII, 326; Foreign Commerce Bureau, <u>Commercial Relations</u> (1901), I (Washington, 1902), 453; Macedo, <u>Tres Monografías</u>, 468, 469; Jesús Silva Herzog, "<u>Lo positivo y lo negativo en el Porfiriato</u>," <u>Cuadernos Americanos</u>, CLXX (May-June, 1970), 125.

Foreign Commerce Bureau, <u>Consular Reports</u>, LXX (November, 1902), 392; Foreign Commerce Bureau, <u>Consular Reports</u>, LXX (October, 1902), 181; Callcott, <u>Liberalism</u>, 163; Jones, <u>Reconstruction</u>, 199-202.

450rozco, <u>Historia</u>, 168.

Manufactures Bureau, <u>Commercial Relations</u> (1907), I (Washington, 1908), 122; Manufactures Bureau, <u>Monthly Consular and Trade Reports</u>, No. 338 (November, 1908), 91-93; Statistics Bureau, <u>Commercial Relations</u> (1903), 146, 147; New York <u>Times</u>, August 28, 1902; Nicolau d'Olwer, <u>Vida económica</u>, VII, 360-362.

47 Foreign Commerce Bureau, <u>Paper in Foreign Countries</u>, (Special Consular Reports), (Washington, 1900), 338; Nicolau d'Olwer, Vida económica, VII, 365.

48 Nicolau d'Olwer, <u>Vida económica</u>, VII, 374-377; Statistics Bureau, <u>Commercial Relations</u> (1903), 147; J.A. Spender, <u>Weetman Pearson</u>: <u>First Viscount Cowdray</u>, 1856-1927 (London, 1930), 287, 288; Public works such as the <u>Desague</u> of the Valley of Mexico cost \$15,967,778.17. Macedo, <u>Tres Monografías</u>, 317-321; Other public works contracted with foreign capitalists are described in Francisco Bulnes, <u>El verdadero Díaz y la revolución</u> (Mexico, 1920), 113.

Foreign Commerce Bureau, Commercial Relations (1902), 504; Cockcroft, et al., Dependence, 52, 58; Nicolau d'Olwer, Vida económica, VII, 379-387; New York Times, August 7, 1903; Foreign Commerce Bureau, Consular Reports, LXII (April, 1903), 606; Manufactures Bureau, Commercial Relations (1908), 145.

Diego G. Lopez Rosado, <u>Ensayos sobre la historia económica de México</u> (México, 1965), <u>152</u>; Thomas C. Martin, "Mexican Water-Power Development," <u>American Monthly Review of Reviews</u>, XXXII (October, 1905), <u>447-449</u>; Statistics Bureau,

- Monthly Consular Reports, CXXV (June, 1904), 995, 996; Tischendorf, Great Britain, 115, 118, 119; Macedo, Tres Monografías, 269, 270, 286, 293, 294, 323-328; Manufactures Bureau, Commercial Relations (1907), 124, 125; Foreign Commerce Bureau, Commercial Relations (1902), 505.
- 51 Nicolau d'Olwer, <u>Vida económica</u>, VII, 434; American Republics Bureau, <u>Mexico</u>, 247; Orozco, <u>Historia</u>, 163.
  - <sup>52</sup>Ceceña, <u>México</u>, 59, 73.
- 53 Orozco, <u>Historia</u>, 70, 71; Rosenzweig, "Desarrollo económico," 444.
- 540rozco, <u>Historia</u>, 95; Moisés González Navarro, <u>El</u>
  <u>Porfiriato: la vida social</u>, Daniel Cosio Villegas (ed.), <u>Historia Moderna de México</u> (México, D.F., 1957), IV, 413, 414;
  Rosenzweig, "<u>Desarrollo económico</u>," 436.
  - <sup>55</sup>Rosenzweig, "<u>Desarrollo económico</u>," 432.
- <sup>56</sup>Donald B. Keesing, "Structural Change Early in Development: Mexico's Changing Industrial and Occupational Structure From 1895 to 1950," <u>Journal of Economic History</u>, XXIX (December, 1969), 728.

# NOTES TO CHAPTER II

The best account in English of the radical side of Mexican labor is John M. Hart, "Anarchist Thought in Nine-teenth Century Mexico," (Unpublished Ph.D. dissertation, University of California at Los Angeles, 1970); More succinct treatments of the same material are Hart, "Agrarian Precursors of the Mexican Revolution: The Development of an Ideology," The Americas, XXIX (October, 1972), 131-151; and "Nineteenth Century Urban Labor Precursors of the Mexican Revolution: The Development of an Ideology," The Americas, XXX (January, 1974), 297-318.

<sup>2</sup>Manuel Díaz Ramírez, <u>Apuntes sobre el movimiento</u>
<u>obrero y campesino de México</u> (México, D.F., 1974), 61; Hart,
"Labor Precursors," 301.

<sup>3</sup>Hart, "Labor Precursors," 309; Díaz Ramírez, <u>Apuntes</u>, 110, 112-115.

<sup>4</sup>Díaz Ramírez, <u>Apuntes</u>, 103.

<sup>5</sup><u>Ibid</u>., 105, 106, 109, 110.

<sup>6</sup>Hart, "Labor Precursors," 309; Díaz Ramírez, <u>Apuntes</u>, 110, 112-115.

7Diaz Ramirez, Apuntes, 117; <u>La Convención Radical</u>
<u>Obrera</u> (México, D.F.), December 9, 1900, quoting <u>La Opinión</u>
(México, D.F.), December 1, 1900; <u>La Convención Radical</u> changed its name to <u>La Convención Radical</u> <u>Obrera</u> beginning January 7, 1888. Both are cited hereafter as <u>Convención Radical</u>.

<sup>8</sup>A contrary interpretation of Porfirian labor policy can be found in Hart, "Labor Precursors," 317; See also the essay on sources on pp. 158-165.

Examples of that orientation can be seen in <u>Convención</u> Radical, January 15, 1888; August 22, 1897; November 18, 1900.

10 Moisés González Navarro, "Las huelgas textiles en el Porfiriato," Historia Mexicana, VI (October-December 1956), 205; Convención Radical, November 9, 1890; Alcoholism as a "setback" is discussed in Convención Radical, February 1, 1901.

ll Convención Radical, August 26, 1888, quoting Semana Mercantil (Mexico, D.F.).

- 12 Periódico Oficial del Gran Círculo Nacional de Obreros (México, D.F.), September 25, 1879; After October 23, 1879 the name of El Periódico Oficial del Gran Círculo Nacional de Obreros was El Periódico Oficial. Both are hereafter cited as Periódico Oficial.
- 13 Quoted in Moisés González Navarro, <u>El Porfiriato: la vida social</u>, Daniel Cosio Villegas (ed.), <u>Historia Moderna de México</u> (México, D.F., 1957), IV, 282.
  - 14 Periódico Oficial, April 20, 1879.
- 15A letter dated July 10, 1879 from John F. Cahill of St. Louis, Missouri referred to Larrea as a friend of García Cúbas and hinted of collaboration between the Ministry of Fomento and the Gran Círculo. That letter was published in Períodico Oficial, August 21, 1879; Circular quoted in Díaz Ramírez, Apuntes, 121; Larrea was elected president by a vote of 30-1. Periódico Oficial, September 11, 1879.
- 16 The activities of Ordonez and others in association with anarchist groups in the 1870's are reported in Hart, "Labor Precursors," 303, 304, 311, 313.
- 17A regidor of the Ayuntamiento is roughly equivalent to the position of city councilman. First elected in the early 1880's, Ordonez was reelected regidor as late as 1903. References to his activities as regidor include Convención Radical, May 1, December 25, 1887; January 8, 1888; December 22, 1889; December 28, 1902; Biographical sketches can be found in El Socialista (México, D.F.), June 30, 1881 and Convención Radical, June 28, 1891.
- 18 Díaz Ramírez, Apuntes, 117, 121, 122, 128; Hart, "Labor Precursors," 312-314; El Hijo de Trabajo (México, D.F.), April 6, 13, 27, 1879; El Hijo de Trabajo became official organ of the Zacatecas Circulo and the April 27, 1879 issue gives a good history of the Gran Circulo from 1872 and offers a detailed explanation for the breakup.
  - 19 Periódico Oficial, April 20, 1879.
- Hart, "Labor Precursors," 313; Periódico Oficial, May 25, June 1, 1879.
  - <sup>21</sup>Hart, "Labor Precursors," 316.

- <sup>22</sup>Violence was an integral part of "stabilization" and "pacification." An excellent treatment of Díaz and some of his political rivals is John M. Hart, "Miguel Negrete: la epopeya de un revolucionario," Historia Mexicana, XXIV
- 23Díaz Ramírez, Apuntes, 138, 139; There were never any substantial changes of leadership. The officers of the Congreso Obero in 1888 were Ordóñez, José María González y González, and Huerta. The Permanent Commission included Ordóñez, Huerta, and veterans José Barbiér, José Muñuzuri, Fortino C. Dhiosdado. Also members were Abraham A. Chavez and Juan N. Serrano y Dominguez, who unlike the others had not been important in the labor movement during the 1870's but who would enjoy increasing influence and prominence in the late 1880's and 1890's. The leadership of the Congreso Obrero is listed in Convención Radical, December 16, 1886; In the 1890's the Congreso met about once a month a a time and place announced in Convención Radical. The member sociedades of the Congreso Obrero are usually listed on the back pages of Convención Radical.
  - <sup>24</sup>Convención Radical, August 15, 1897.
  - <sup>25</sup><u>Ibid</u>., February 13, 1887.
- 26 Convención Radical, February 13, 1887; January 15, 22, 1888; August 26, 1888 citing Semana Mercantil.
  - 27 Convención Radical, June 20, 1897.
  - <sup>28</sup>González Navarro, <u>Vida social</u>, IV, 344.
  - <sup>29</sup><u>Ibid</u>., 347.
- 30 Luis Chavez Orozco, <u>Historia Económica y Social de</u> <u>México</u> (México, D.F., 1938), 77; <u>El Hijo de Trabajo</u>, August 6, 1876; <u>Convención Radical</u>, November 3, 1901.
- 31 The number of sociedades mutualistas in Mexico City increased from sixty to seventy-three between 1888 and 1900. Convención Radical, June 17, 1888; January 7, 1900; Chavez's speech in Convención Radical, August 15, 1897; Efforts of the Governor and Secretary of State in Veracruz on behalf of a mutualista in Nogales is related in Convención Radical, March 17, 24, 1889. The tax exemption is reported in Convención Radical, September 23, 1900.

- 32El Obrero Internacional (México, D.F.), October 27, 1874.
- 33 Typical was the troubled cigarette industry of the late 1880's. Unable to settle strikes, moderates counseled workers to form cooperatives. See for example Convención Radical, September 16, 1888 and adjacent issues.
- 34Convención Radical, February 20, April 17, July 18, 1887; May 6, 1888.
- $^{35}$ See pages 42, 47, 80, 82 for a discussion of some of the ideological considerations.
- 36 Jacinto Huitron, <u>Orígenes e historia del movimento obrero en México</u> (México, D.F., 1974), 59; <u>Periódico Oficial</u>, November 2, 1879, cited <u>La Tribuna</u> (México, D.F.).
- 37Ayuntamiento de la Nación, <u>Actas de cabildo en sesiones</u> (Imprenta, 1880), (México, D.F., n.d.), December 24, 1880; Ayuntamiento de la Nación, <u>Actas de cabildo en sesiones</u> (Imprenta, 1881), (México, D.F., n.d.), February 1, 1881 (p. 46); April 29, 1881 (p. 166); August 30, 1881 (p. 350); September 6, 1881 (p. 366); September 13, 1881 (p. 380); <u>Convención Radical</u>, August 15, 1897.
  - 38 Convención Radical, January 22, 1888.
  - 39<u>Ibid</u>., September 19, 1897.
- 40 Ibid., February 13, 1887; April 25, August 15, 1897; May 13, 1900; August 25, November 3, 30, 1901.
- 41 Convención Radical, November 3, 1901; Such funding was a long-standing practice; The secretary of Gobernación gave the Gran Círculo \$100.00 to celebrate September 16, 1880. Secretaria de Gobernación, Memoria (1880)
- 42<u>El Hijo de Trabajo</u>, July 13, December 28, 1884; <u>Convención Radical</u>, June 1, July 27, 1902.
- 43Díaz's birthday was September 15; Convención Radical, September 18, 1887.
  - Convención Radical, September 18, December 25, 1887.
  - 45<u>Ibid.</u>, May 27, 1888.

- 46<u>Ibid</u>., June 3, 10, July 10, 1888.
- 47<u>El Hijo de Ahuizote</u> (México, D.F.) June 10, 1888.
- 48 Convención Radical, June 10, 1888, cited El Proletario (México, D.F.), June 3, 1888.
- 49 Convención Radical, February 5, 1888; January 20, 1901.
- <sup>50</sup>Ayuntamiento, <u>Actas</u> (1880), July 9, 1880 (p. 229); December 2, 1880 (p. 546); <u>Convención Radical</u>, February 7, 1889; January 7, 1900.
- 51Efforts to subsidize the press are documented in Rodney D. Anderson, "The Mexican Textile Labor Movement, 1906-1907: An Analysis of a Labor Crisis," (Unpublished Ph.D. dissertation, American University, 1968), 150; See also William Dirk Raat, "Positivism in Diaz Mexico, 1876-1910: An Essay in Intellectual History," (Unpublished Ph.D. dissertation, University of Utah, 1967), 112.
- $^{52}\mathrm{Hart}$ , "Labor Precursors," 315-317; Anarchists still distributed material, but surreptitiously, as evidenced by constant efforts to censor workers' reading material.
- 53 Periódico Oficial, April 20, August 28, September 11, October 19, 1879.
- 54 For example, <u>Periódico Oficial</u>, June 8, 15, 22; August 24, 1879.
- 55 Periodico Oficial, for political commentary, July 3, August 10, 1879; for romanticism, June 22, 1879; for Cano's letter, June 22, 1879; for the manifesto, April 22, 1879.
  - <sup>56</sup>Periodico Oficial, August 10, 17, November 16, 1879.
- 570rdőñez became editor in 1888. Convención Radical, January 7, 1888.
- <sup>58</sup>Convención Radical, May 1, 1887; July 11, 1897; August 22, 1897.
- $^{59}$ The Penal Code of the Federal District prescribed eight days to three months in jail and a \$25 to \$300 fine for strikers, though the language of the code was open to interpretation.

- The moderate labor press reflected this position with statements such as "We don't approve strikes, much less recommend them; but when the abuse is powerful, what else can the oppressed do?" Convención Radical, June 10, 1900.
- 61 Moisés González Navarro, <u>Las huelgas textiles en el Porfiriato</u> (Puebla, México, 1970), 28-48.
- For a listing of the most frequent causes of strikes, see González Navarro, <u>Huelgas textiles</u>, 15, 16; Foreign Commerce Bureau, <u>Labor in America</u>, <u>Asia</u>, <u>Africa</u>, <u>Australia</u>, <u>and Polynesia</u> (Special Consular Reports), (Washington, 1885), 118; The arrest of strikers for stoning a factory is reported in González Navarro, <u>Huelgas Textiles</u>, 41.
- 63Díaz Ramirez, <u>Apuntes</u>, 136; <u>El Hijo de Trabajo</u>, May 11, 1879; Foreign Commerce Bureau, <u>Commercial Relations</u> (1885-1886), (Washington, 1887), 886; Hart, "Agrarian Precursors," 144-146.
- 64 Convención Radical, June 10, 1900; González Navarro, Vida social, IV, 515; For example, see worker's letter offering to name spies in the factory, El Socialista, August 6, 1877.
- 65 Manifesto reprinted in <u>El Hijo de Trabajo</u>, June 22, 1884.
- $^{66}\text{A}$   $\underline{\text{manta}}$  was a standard unit of cloth about ten meters long.
- $67_{El}$  <u>Hijo de Trabajo</u>, September 7, 28, October 12, 19, 1884.
- 68<u>El Hijo de Trabajo</u>, December 7, 1884, González Navarro, <u>Huelgas textiles</u>, 35.
  - <sup>69</sup>Ayuntamiento, <u>Actas</u> (1881), August 9, 1881 (p. 320).
  - 70 Convención Radical, August 28, 1887.
  - 71A telar is a loom.
  - 72 Convención Radical, March 11, 18, June 24, 1888.
  - 73<sub>Ibid</sub>., July 22, 1888.
  - 7<sup>4</sup><u>Ibid</u>., March 17, 24, 1889.

- 75 Convención Radical, May 11, 1890.
- 76<u>Ibid</u>., January 11, 23, February 20, 1898.
- 77<sub>Ibid.</sub>, September 21, 1902.
- <sup>78</sup><u>Ibid</u>., August 15, 1897; May 19, 1901.
- 79<u>Ibid.</u>, December 20, 1891.
- 80<u>Ibid</u>., April 26, 1888.
- 81<u>Ibid</u>., August 18, 1901.
- 82 El Hijo de Trabajo, August 12, 1877.
- 83<sub>El</sub> Socialista, August 6, 1877.

## NOTES TO CHAPTER III

- la Convención Radical Obrera (México, D.F.), November 24, 1901, cited hereafter as Convención Radical.
  - <sup>2</sup>Convención Radical, November 24, 1901.
- <sup>3</sup>Luis Nicolau d'Olwer, et al., <u>El Porfiriato: la vida económica</u>, Daniel Cosio Villegas (ed.), <u>Historia moderna de México</u> (México, D.F., 1965), VII, 327.
  - 4 Convención Radical, November 24, 1901.
  - <sup>5</sup><u>Ibid</u>., June 22, 1901.
- 6 Convención Radical, November 24, 1901, suggested a worker with three dependents would spend a one peso daily wage as follows: \$0.75 for food; \$0.125 for rent; \$0.125 for clothing. There remained the question of how workers felt about the stringencies of such a budget. As Convención Radical noted, who could be happy crowded into "a miserable room of ten square meters." A slightly different and more detailed budget estimate is found in Moisés González Navarro, El Porfiriato: la vida social, Daniel Cosio Villegas (ed.), Historia moderna de México (México, 1957), IV, 391.
  - 7 Convención Radical, November 24, 1901.
  - 8 Ibid., November 24, 1901.
- 9American Republics Bureau, Monthly Bulletin, VII (October, 1899), 633.
- lo Thetonio Dos Santos, "La crisis de la teoría de desarrollo y las relaciones de dependencía en America Latina," Boletin del CESO, III (Santiago, Chile, 1968), cited in Thetonio Dos Santos, "The Structure of Dependency," American Economic Review, LX (May, 1970), 231.
  - 11 Dos Santos, "Structure of Dependency," 232.
- 12 José Luis Ceceña, <u>México</u> en <u>la órbita imperial</u> (México, D.F., 1974), 87-94.
  - 13 Computed from data presented in table 16.

- 14William E. Curtis and Trumball White, <u>Free Silver in Mexico</u> (Chicago, 1897), 129, cited in David M. Pletcher, "The Fall of Silver in Mexico, 1870-1910, and Its Effects on American Investments," <u>Journal of Economic History</u>, XVII (March, 1958), 45.
- 15W. Arthur Lewis, "Economic Development With Unlimited Supplies of Labor," The Manchester School of Economic and Social Studies, (May, 1954), cited in Benjamin Higgins, Economic Development: Principles, Problems, and Policies (New York, 1968), 307.
  - 16 Ceceña, <u>México</u>, 55.
- 17 Manufactures Bureau, Commercial Relations (1908), (Washington, 1909), 135.
  - <sup>18</sup>For example, see pp. 11, 17, 18.
  - 19 Dos Santos, "Structure of Dependency," 233.
  - <sup>20</sup>Ceceña, <u>México</u>, 73, 84.
- <sup>21</sup>Fernando Rosenzweig, "El <u>desarrollo económico de México</u> <u>de 1877 a 1911," Trimestre Económico</u>, XXXVII (July-September, 1965), 422, 423.
- <sup>22</sup>Charles P. Kindleberger, <u>International</u> <u>Economics</u>, (Homewood, Illinois, 1973), 168.
  - $^{23}$ For examples of increased purchases of inputs, see p. 28.
  - 24 Convención Radical, December 15, 1901.
- <sup>25</sup>Rosenzweig, "<u>Desarrollo económico</u>," 453; Manufactures Bureau, <u>Commercial Relations</u> (1907), (Washington, 1908), 105.
  - 26 Convención Radical, June 10, 1900.
  - 27<sub>Ibid</sub>., November 23, 1902.
  - 28<u>Ibid</u>., December 21, 1902.
  - <sup>29</sup><u>Ibid</u>., December 7, 1902.
- 30 Foreign Commerce Bureau, Consular Reports (July, 1900), 403.

- 31 Dawn Kermetisis, <u>La industria textil mexicana en el siglo XIX</u> (México, D.F., 1973), 175.
  - 32 Convención Radical, October 12, 1902.
  - <sup>33</sup><u>Ibid.</u>, November 23, 1902.
  - 34<u>Ibid.</u>, December 7, 1902.
  - 35<u>Ibid</u>., December 21, 1902.
  - <sup>36</sup><u>Ibid</u>., November 23, 1902.
  - <sup>37</sup><u>Ibid</u>., March 10, 1901.
  - 38<u>Ibid</u>., November 10, 1901.
  - <sup>39</sup><u>Ibid</u>., March 10, 1901.
  - 40 <u>Ibid</u>., November 24, 1901.
  - <sup>41</sup><u>Ibid</u>., July 25, 1897.
  - 42<u>Ibid</u>., June 10, 1900.
- <sup>43</sup>Neil J. Smelser, <u>Theory of Collective Behaviour</u>, (New York, 1963), 381.
- 44S. Perlman, A History of Trade Unionism in the United States (New York, 1937), 141, 142, cited in Smelser, Collective Behaviour, 283.
  - 45 Imparcial, (Mexico, D.F.) July 5, 1906.
- Rodney D. Anderson, "The Mexican Textile Labor Movement, 1906-1907: An Analysis of a Labor Crisis," (Unpublished Ph. D. dissertation, American University, 1968), 82; Anderson suggests that the government's effort represented a radical departure in labor policy. Actually, it was consistent with the labor practices of the first two decades of Porfirian rule as detailed in Chapter Two.
- 47 The program of the GCOL, reprinted in El Clarín (Orizaba, Mexico), August 12, 1958, cited in Anderson, "Labor Movement," 82.
  - 48 Anderson, "Labor Movement," 84-86.

- 49<u>La Revolución Social</u> (Orizaba, Mexico), June 3, 1906, reprinted in <u>El Clarín</u>, August 19, 1958, cited in Anderson, "Labor Movement," 88.
  - 50 Ibid., 89.
  - <sup>51</sup>Anderson, "Labor Movement," 92, 93, 96-98, 102-105.
  - <sup>52</sup><u>Ibid</u>., 155, 158.
  - 53As Chapter Two suggests.
  - 54 Anderson, "Labor Movement," 101.
  - 55<sub>El</sub> Imparcial, July 5, 1906.
  - 56 Anderson, "Labor Movement," 101.
  - <sup>57</sup><u>Ibid</u>., 99-101, 130, 131.
  - 58 El Imparcial, October 31, 1906.
- 59Anderson, "Labor Movement," 170-172; Kermitsis, Industria textil, 128-156; El Imparcial, December 5, 7, 8, 1906; Luis Araíza, Historia de movimiento obrero mexicano (México, D.F., 1964), 103.
- 60 El Imparcial, December 5, 7, 8, 1906; El País, (Mexico, D.F.), December 8, 1906.
- 61<u>El País</u>, December 8, 1906; <u>El Imparcial</u>, December 8, 1906; González Navarro, <u>Vida social</u>, IV, 324-325; Araiza, Movimiento obrero, 103.
- 62<u>El Imparcial</u>, December 16, 18, 19, 1906; Anderson, "Labor Movement," 178-181; González Navarro, <u>Vida social</u>, IV, 326.
- 63González Navarro, <u>Vida social</u>, IV, 325; <u>El País</u>, December 8, 1906; <u>El Imparcial</u>, December 16, 18, 19, 21; A more pessimistic assessment of the strikers' resources is offered in Anderson, "Labor Movement," 178-181.
- 64<u>El Tiempo</u>, (México, D.F.), December 23, 27, 1906; <u>El País</u>, December 22, 1906.
  - 65 El Imparcial, December 30, 1906.

- 66 El Imparcial, December 25, 1906.
- 67<u>Tbid</u>., December 26, 1906.
- <sup>68</sup>Ibid., December 27, 1906.
- 69<u>El Imparcial</u>, December 28, 29, 1906; <u>El País</u>, January 1, 1907; <u>El Tiempo</u>, January 4, 1907.
- 70 El País, January 6, 1907; El Imparcial, January 7, 1907; González Navarro, Vida social, IV, 327; For a different interpretation of the arbitration's significance see Anderson, "Labor Movement," 215-224; Anderson asserts the settlement was "a wide-ranging attempt by the Díaz administration to solve the most outstanding issues of the labor conflict..."
  - 71 El Imparcial, August 14, 1906.
- 72 Ceceña, <u>México</u>, 84; Anderson, "Labor Movement," 186-191.
- 73<u>El Imparcial</u>, January 7, 1907; Rosendo Salazar and José G. Escobedo, <u>Las pugnas de la gleba</u> (México, D.F., 1932), 23-25.
  - 74 Salazar and Escobedo, <u>Pugnas de la gleba</u>, 23-25.
  - 75 Araiza, Movimiento obrero, 113.
- 76 González Navarro, <u>Vida social</u>, IV, 331, 332; Moisés González Navarro, "La huelga de Río Blanco," <u>Historia Mexicana</u>, VI (April-June, 1957), 521, 522.
  - 77González Navarro, "La huelga," 521, 522.
- 78Gonzalez Navarro, "La huelga," 521, 522; Anderson, "Labor Movement," 241, 242.
  - <sup>79</sup>González Navarro, "La huelga," 522.
  - 80 González Navarro, <u>Vida social</u>, IV, 33.
  - 81<u>Ibid</u>., 334.
- 82For an opposing interpretation see Anderson, "Labor Movement," 227-266; Anderson dismisses any connection between the arbitration decision and the violence at Río Blanco. He stress the role of "local circumstances" and psychological

variables such as personal animosity, "the milling crowd," and "catalysts." Labelling Río Blanco an episode of "mot violence," Anderson insists the political significance is marginal. Anderson's interpretation, which coincides with the "official" version promoted by <u>Fl Imparcial</u> and other Mexico City newspapers, suggests that the workers' personal dislike of Victor Garcín, a Spaniard who ran the company stores, was the primary cause of the violent outbreak.

#### NOTES TO EPILOGUE

- <sup>1</sup>See pp. 59, 68, 70.
- <sup>2</sup>Ramon Eduardo Ruiz, <u>Labor and the Ambivalent Revolutionaries: Mexico, 1911-1923</u>, (Baltimore, 1976).

  This brief commentary on post-Porfirian labor policy is based largely upon Ruiz's excellent research.
  - <sup>3</sup>Ruiz, <u>Ambivalent</u> <u>Revolutionaries</u>, 31.
  - <sup>4</sup>See pp. 75-78.
  - <sup>5</sup>Ruiz, <u>Ambivalent Revolutionaries</u>, 32.
  - <sup>6</sup>Quoted in Ruiz, <u>Ambivalent</u> <u>Revolutionaries</u>, 32.
  - <sup>7</sup>Ruiz, <u>Ambivalent</u> <u>Revolutionaries</u>, 32.
  - <sup>8</sup>See pp. 49, 53-55, 79, 80.
- 9Ruiz, Ambivalent Revolutionaries, 37; For the uses of violence in Porfirian labor policy see pp. 70-73.
  - 10 Ruiz, Ambivalent Revolutionaries, 39.
  - <sup>11</sup><u>Ibid</u>., 49, 54, 55, 60, 71.
  - <sup>12</sup><u>Ibid</u>., 81-94, 98, 99.
  - <sup>13</sup>See pp. 49, 50, 59-65.
- 14 John M. Hart, "Anarchism and the Mexican Working Class, 1860-1931," Unpublished manuscript, (Houston, 1976).
- 15Antonio Díaz Soto y Gama quoted by <u>Excelsior</u>, May 29, 1971, cited in Ruiz, <u>Ambivalent Revolutionaries</u>, 100.
  - 16 Ruiz, Ambivalent Revolutionaries, 103.

APPENDIX A

THE DIAZ ADMINISTRATION AND FOREIGN CORPORATIONS

NAME	GOVERNMENT POSITION(S)	CORPORATE AFFILIATION
Joaquín D. Casasús	Economist; President of the National Congress, 1895, 1903	Attorney, <u>Banco Central</u> <u>Mexicano</u> (French); Attorney, Southern Pacific Railway (United States); President, <u>CIA Carbónifera de</u> <u>Agujitu; Partner, CIA</u> <u>Deslindadoras Extran</u> - <u>jeras</u> .
Enrique Creel	Minister of Foreign Relations	President, Banco Central Mexicano (French) Attorney, CIA Mexicano de Petroleo El Aguila (British); Attorney, Kansas City, Mexico, and Orient Railway (United States); President and Attorney, Banco Hipotecario de Comercio Refaccionario (Mexican-French).
Guillermo de Landa y Escandón	Governor of the Federal District	Attorney, CIA Mexi- cano de Petróleo El Aguila (British); Attorney, Banco Mexi- cano de Comercio y Industria (United States-German-French); Attorney, Pan Ameri- can Company (United States); Attorney, Santa Gertrudis Jute Mill (English); Attor- ney, The Mexican Mines of El Oro (English); Chairman, The Dos Estrellas S.A. (French)

	<del></del>	
NAME	GOVERNMENT POSITION(S)	CORPORATE AFFILIATION
Pablo Macedo	Economist; President of the National Congress, 1907, 1910	Vice-President, Banco Nacional de México (French Attorney, Mexican Light and Power Company (Eng- lish-Canadian); Attorney, Pan American Company (United States); Attor- ney, Caja de Prest. O.I.Y F. Agricola (United States-Mexican-French); Vice-President, Banco de Fomento B.R. (Mexican- French); Attorney, CIA Fundidora de Fierro M Acero de Monterrey (United States-Spanish- Mexican); Attorney, CIA Manufacturera El Buen Mono, S.A. (French-Mexican); Attorney, CIA de Luz y Fuerza, Pachica (English-Canadian); Partner, CIA Deslinda- doras Extranjeras
Rosendo . Pineda	Sub-Secretary of Foreign Relations; President of National Congress, 1898, 1906	Attorney, <u>Banco</u> <u>de</u> <u>Londres y México</u> (French- English); Attorney, Pan American Company (United States); Attorney, Pan American Railway Company (United States)

SOURCE: José Luis Ceceña, <u>México in la órbita imperial</u>, (México, D. F., 1974), 81-84.

## APPENDIX B.

## FORTY LARGEST INDUSTRIAL ENTERPRISES

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Group Capital Owners
Name
Mexican Light & Power Co.
                                                           25.0
                                                                  GE
                                                   \mathbf{T}
CIA Industrial de Orizaba
                                                           15.0
                                                                  F,US
                                                   Ε
                                                           15.0
Mexican Northern Power Co.
                                                                  GB
                                                   E
<u>CIA Hidro-Elect. e Irrig. de Chapala</u>
                                                           14.0
                                                                  M
CIA Fundidora de F. y. A. de Monterrey
CIA de San Rafael y Anexas
CIA Manufacturera "El Buen Tono", S.A.
                                                   Ι
                                                           10.0
                                                                  US,SP,M
                                                            7.0
                                                   P
                                                                  F,M,US
                                                   C
                                                            6.5
                                                                  F.M
CIA Industrial Jabonera de La Laguna
                                                   S
                                                            6.0
                                                                  M,US
CIA Industrial de Atlixco
                                                            6.0
                                                                  F,M
                                                            5.0
5.0
                                                   E
Guanajuato Power & Electric
                                                                  US
Monterrey Railway Light & Power Co.
                                                   E
                                                                  GВ
                                                   M
                                                            5.0
                                                                  GB
Mexican National Packing Co, Ltd.
                                                            4.3
CIA Industrial Manufacturera, S.A.
                                                   \mathbf{T}
                                                                  F
                                                            4.0
The Pachuca Light & Power Co.
                                                   E
                                                                  GB,US
CIA Industrial de San Antonio Abad
CIA. Nac. Mex. de Dinamita y Explosivos
                                                   \mathbf{T}
                                                            3.5
                                                                  SP,F
                                                   Χ
                                                            3.4
                                                                  F
CIA Industrial Veracruzana, S.A.
                                                   T
                                                            3.35 F
                                                   L
                                                            3.2
3.0
Salinas of Mexico Ltd.
                                                                  GB
                                                   T
                                                                  Ŧ
CIA Industrial de San Ildefonso
Central Mexico Light & Power Co.
                                                   E
                                                            2.8
                                                                  US
                                                   E
Tampico Electric Light Power & Traction
                                                            2.4
                                                                  GB
                                                   В
<u>CIA Cervecera Toluca y México</u>
                                                            2.0
                                                                  G,F
CIA Industrial El Porvenir y Anexas
                                                            2.0
                                                   _
                                                                  M
                                                   В
                                                            2.0
                                                                  F
Cerveçeria Moctezuma
                                                   Η
                                                                  G
                                                            2.0
<u>Fabrica de Acidos La Viga</u>
                                                                  단단
<u>Clemente Jacques y CIA</u>
                                                   M
                                                            2.0
                                                   \mathbf{T}
CIA Industrial de Guadalajara
                                                            2.0
                                                   В
Cervecería Cuauhtémoc
                                                            2.0
                                                                  М
CIA "La Tabacalera Mexicana," S.A. Santa Gertrudis Jute Mill Co, Ltd.
                                                   C
                                                            2.0
                                                                  SP,M
                                                   J
                                                            2.0
                                                                  GB
The Pacific Salt Co. Ltd.
                                                   L
                                                            1.8
                                                                  GB
                                                            1.6
CIA Cigarerra Mexicana
                                                                  F
                                                   J
                                                            1.3
                                                                  GB
La Aurora
                                                   E
                                                            1.0
                                                                  US
Michoacan Power Co.
                                                   R
CIA Mexicana de Hielo y Refrigeración
                                                            1.0
Mexican Fuel & Power Co. Ltd.
                                                   E
                                                            1.0
CIA Linera de México
CIA Industrial "La Abeja"
                                                             .6
                                                                  GВ
                                                   \mathbf{T}
                                                                  F
The Veracruz Electric L.P. & Traction Co.
                                                            4.0
                                                                  GЗ
                                                   E
CIA Electrica Anglo-Mexicana, Ltd.
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SOURCE: José Luis Ceceña, <u>Máxico en la orbita imperial</u>: <u>las empresas transnacionales</u> (Mexico, D.F., 1974), 86-94.

\*Not including rubber or sugar refineries

aGroup: B=Beer; C=Tobacco; E=Electric; I=Iron&Steel; J=Jute; L=Salt; M=Food Packing or Processing; P=Paper; R=Ice; S=Soap; X=Dinamite

Capital in millions of pesos

CF=France;G=Germany;GB=Great Britain;M=Mexico;US=United States

## AN ESSAY ON SOURCES

AND A NOTE ON THE HISTORIOGRAPHY OF THE LABOR MOVEMENT

Primary materials dealing with Porfirian labor policy are rare. Moderate labor newspapers such as Periódico Oficial and Convención Radical provided most of the source material for this study. Neither has been extensively cited by any study of the labor movement or of the Diaz regime's relationship with labor. Nineteenth century labor moderates have been unknown, forgotten, or ignored in almost every study of the Mexican labor movement. That was ironic because those moderates, if their newspapers can be trusted, were obsessed with defending their collaboration with the Diaz regime and left for historians some remarkable elaborations of their motivations. While most other sources of primary material have been lost, or destroyed, or else simply never existed, substantial quantities of newspapers have been preserved. The Hermeroteca Nacional in Mexico City possesses almost all of the issues of Convención Radical (1887-1902) and most of the other newspaper sources cited in this study.

The Actas de Cabildo of the Ayuntamiento also provided some intriguing material. Those volumes can be seen in the Archivo del Ex-Ayuntamiento de la Nación in Mexico City.

Unlike the Hermeroteca Nacional, which requires no special permission, perusing the Archivo del Ex-Ayuntamiento

necessitates soliciting and obtaining the proper "permiso."

For the novice that process is an education in itself. The government-sponsored Center for Studies of the Labor Movement, located in Mexico City, also was of value to this writer.

While that facility does not have extensive holdings, what is there is available to the researcher without much hassle.

It has a small, but diversified, collection of working class newspapers on microfilm and is constantly acquiring more.

In addition, the facility is making an attempt to microfilm other types of primary material, such as factory records, and may in the future be of invaluable assistance to the labor researcher.

Primary materials pertinent to the Porfirian development effort are more plentiful. Surprisingly, some of the more useful materials are easily available in English. United States government publications provided this writer with much unexpected, but worthy material. This writer is of the opinion that the United States knew more about the economic development taking place in Mexico than did Mexico. United States consular officials and sundry agents, writing from almost every sizeable city (and some not so sizeable) offered revealing commentary. Periodicals of the United States from that era also provided fascinating descriptions of the social and economic changes taking place and gave honest, if blunt, explanations for the North American obsession with Mexican

development. Díaz's Ministry of <u>Fomento</u> also produced a prodigious amount of source material, much of it in English, which was published to promote interest and investment in the Mexican economy. Those efforts remain a testimony to the booster spirit which so characterized the Díaz regime.

A history of the labor movement in Porfirian Mexico is yet to be written. While several general labor histories have been authored, some good and many not so good, most begin with the bloody episodes of Cananea and Rio Blanco in 1906-1907. Most often the authors were themselves participants in the twentieth century labor movement in Mexico. Understandably, many of them believed the labor movement began with their generation. As partisans of an on-going struggle, their sincerity can be easily appreciated than their objectivity. The Revolution of 1910 and its aftermath also colored the perceptions of many of the authors. Representative of that genre was Rosendo Salazar and José G. Escobedo's Las pugnas de la gleba (1923) which was the first extensive labor history. The same problems have plagued most of the works which followed including even Luis Araiza's ambitious Historia del movimiento obrero (1964).

The new sense of nationalism which seemed to emerge after the turbulent decade of revolution and the efforts of a new national elite to legitimize itself also lent impetus to a special kind of historical interpretation of the

Porfirian era as a whole and of labor policy in particular. The new regime became "good" as the <u>ancien régime</u> became evil. While in fact it carried on the economic policies and so the labor policy of its predecessor, the post-revolutionary regime distinguished itself from the past not so much by deed as by comparison. "History" painted the Porfirian regime into a cariacature of unrestrained wickedness. Porfirian labor policy became synonymous with the excesses at Río Blanco. The new regime actively promoted that interpretation and sponsored such works as Germán Liste Azurbide's La Huelga de Río Blanco (1935), published by the Secretary of Public Education as part of its series "Library of the Worker and Peasant."

Pre-revolutionary and revolutionary propaganda originally published to sway public opinion against the Díaz regime and its supporters also clouded understanding the true nature of its labor policy. John Kenneth Turner's <a href="mailto:Barbarous Mexico">Barbarous Mexico</a> (1910), Carlo de Fornaro's Díaz, Czar of <a href="Mexico">Mexico</a> (1909), and Lázaro Gutiérrez de Lara's The Mexican <a href="People: Their Struggle for Freedom">People: Their Struggle for Freedom</a> (1914) were representative of many of those works which suggested the massacure of workers at Río Blanco was Porfirian labor policy.

The errors and exaggerations of that genre were resurrected in later more serious efforts. Carleton Beals'

Porfirio Díaz: Dictator of Mexico (1932) epitomized those

distortions. With unfortunate consequences for labor history, Marjorie Ruth Clark's <u>Organized Labor in Mexico</u> (1936) "standardized" most of the misconceptions and over-generalizations. Not only did it deny the labor movement a history before the Revolution of 1910, but its also suggested once again that all of Porfirian labor policy was simple repression.

And so the misunderstandings and half-truths of more than half a century have continued to enjoy credence. As late as 1976, Ramon Eduardo Ruiz's otherwise excellent, <u>Labor and the Ambivalent Revolutionaries: Mexico</u>, <u>1911-1923</u>, a study of labor policy in the revolutionary years, was flawed by an uncritical acceptance of the old myth of a monolithic Porfirian labor policy.

In recent years labor historians have begun to scratch away at the legend. Studies such as John M. Hart's "Anarchist Thought in Nineteenth Century Mexico," (1970) have shown that a viable labor movement, strongly influenced by radical ideologies, existed years before Diaz came to power. Others, like Rodney D. Anderson's "The Mexican Textile Labor Movement..." (1968), have argued persuasively that the Porfirian response to labor unrest was not simply "knee-jerk" violence. Not without considerable merit, both studies suffer from some defects. The most serious problem is Anderson's suggestion that Diaz's arbitration in 1907 was a "radical departure" from past practice and that the "far-ranging" arbitration accord had

little connection with the violence which followed. recently Anderson has suggested in "Diaz y la crisis laboral de 1906" (1970) that Porfirian labor policy failed because Diaz was a nineteenth century "caudillo" who could not make peace with the twentieth century. This writer takes issue with Anderson because Diaz long-standing and sophisticated labor policy in the nineteenth century clearly anticipated twentieth century labor policy in Mexico and elsewhere. Anderson's "Mexican Workers and the Politics of Revolution, 1906-1911," (1974) makes observations about the labor movement which are equally questionable. Using "worker's letters" published in newspapers as his primary "evidence," Anderson postulates that the labor movement was essentially conservative and perhaps even anti-revolutionary. Much of what Anderson claims was not the articulation of the "unarticulate," but part of the Porfirian regime's on-going effort to create a moderate alternative to radical labor. Representative of that was El Obrero Mexicano (1910) published in Mexico City. El Obrero Mexicano was assigned all the old functions of Convención Radical. El Obrero Mexicano at least offered innovative presentation of the old themes. graphs and features of "model" workers and glowing accounts of the most recent visits of the Governor of the Federal District complimented the same old calls for harmony between capital and labor. Also active by 1910 were the newspapers

of the political opposition. Since the newspapers of the political opposition in the first years of the <u>Porfiriato</u> edited "letters" to reflect the appropriate orientation, it is unreasonable to assume the practice became extinct before 1910. Efforts to deduce the real nature of the labor movement will have to based on more substantial evidence.

No commentary on sources can be complete without acknowledging the usefulness of Daniel Cosio Villegas' Historia moderna de México (7 vols.), which serves as a necessary point of departure for any study of the Porfiriato. The collection was one of the first exhaustive efforts which recognized the close association between La Reforma and El Porfiriato. Moisés González Navarro's contribution, El Por firiato: la vida social, offers perhaps the best overview of the sociology of the period. Older and even more valuable, if used cautiously, are works dealing specifically with aspects of the nineteenth century labor movement such as Manuel Diaz Ramirez's Apuntes sobre el movimiento obrero y campesino de México (1936) and Luis Chavez Orozco's Historia económica y social de México (1938). The latter puts Porfirian economics in perspective with the flow of economic developments in all of Mexico's long history and adeptly illuminates aspects of the radical side of Mexican labor. Diaz Ramirez is particularly insightful in regards to the more subtle aspects of Porfirian labor policy. He was

perhaps the first to point out the importance of collaboration and co-option as mechanisms used to contain the working class. Himself a participant, Díaz Ramírez saw labor radicals of the revolutionary decade and the next defect to the government's labor program. This writer acknowledges a debt to Díaz Ramírez and has found substantially correct the claim:

Porfirio Diaz, like those who succeeded him to the Presidency of the Republic--without excluding those arising from the Revolution of 1910--knew very well how to deal with those fitting precursors of labor reformism, well represented by the leadership of the Confederación Regional Obrera Mexicana and its more or less perfect imitators...\*

<sup>\*</sup>Manuel Díaz Ramírez, <u>Apuntes sobre el movimiento obrero y campesino de Mexico</u> (México, D.F., 1974), 117, 118.

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